

New propositions to ensure
you stay a step ahead of the evolving
Life & Health insurance landscape

Life & Health Propositions Studio
Asia-Pacific, Middle East and Africa

Embracing change in an evolving landscape:

Our commitment to sustainable innovation and delivering customer-centric solutions

Insurance plays a pivotal role in our lives by providing the necessary financial security in the face of unexpected events. Despite its significance, the traditional insurance landscape characterised by rigid products and cumbersome underwriting processes is increasingly at odds with the dynamic expectations of modern day consumers, shaped by societal and technological shifts.

The convergence of medical advances, technological innovations and societal trends has fundamentally altered individual risk profiles, thereby reshaping insurance expectations and requirements. This transformation presents both challenges and opportunities for insurers, emphasising the need for forward-thinking solutions to maintain relevance and competitiveness.

Munich Re offers collaborative expertise, sustainable and innovative new concepts and partnership-driven shared risk arrangements to navigate this landscape. Leveraging advanced technologies, extensive medical research capabilities, access to diverse data sources and our product development and risk management expertise, we harness the power of data analytics and customer insights to create bespoke products and relevant underwriting processes.

This proactive stance positions us as a leader in the life reinsurance sector, catering to a new generation of your policyholders who prioritise and demand enhanced coverage, convenience and peace of mind.

Driving transformation in Life & Health insurance through our unique approach to proposition innovation

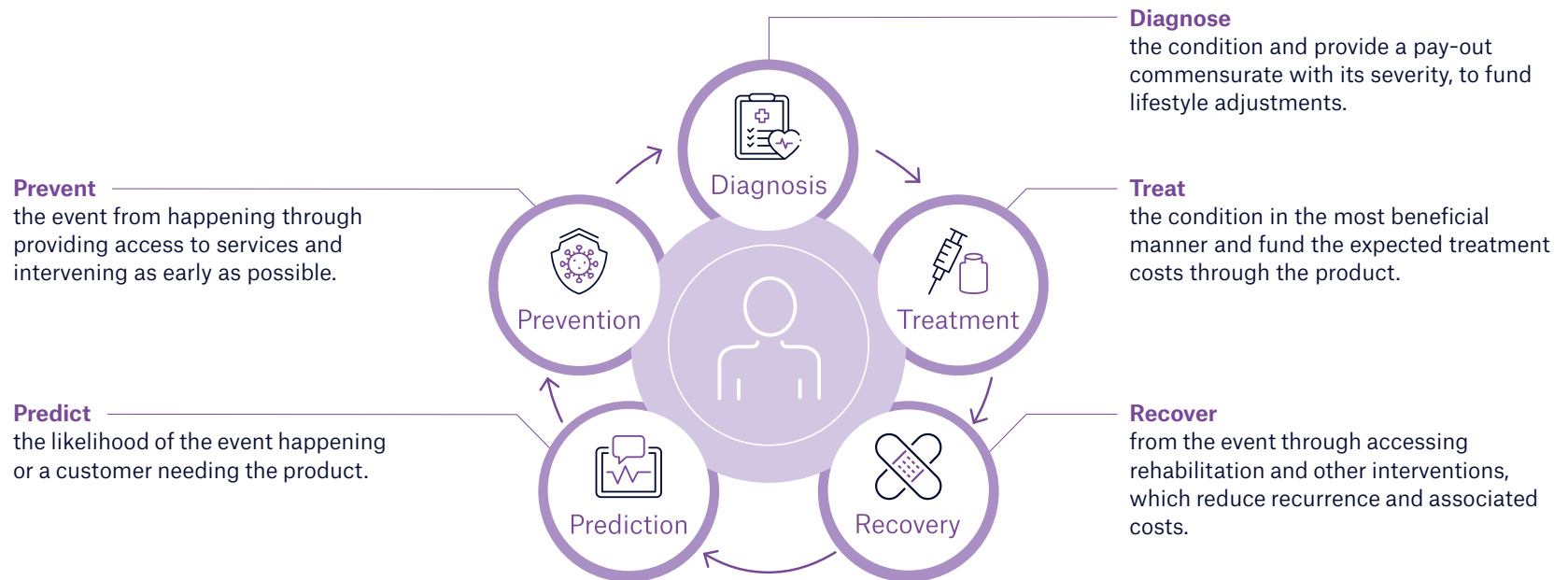
Within Asia's dynamic life insurance sector, notable medical and societal trends highlight the urgency for transformation. Our **Life & Health Propositions Studio** is dedicated to supporting you in developing a robust portfolio of insurance propositions tailored to offer your customers increased flexibility, customisation and relative value.

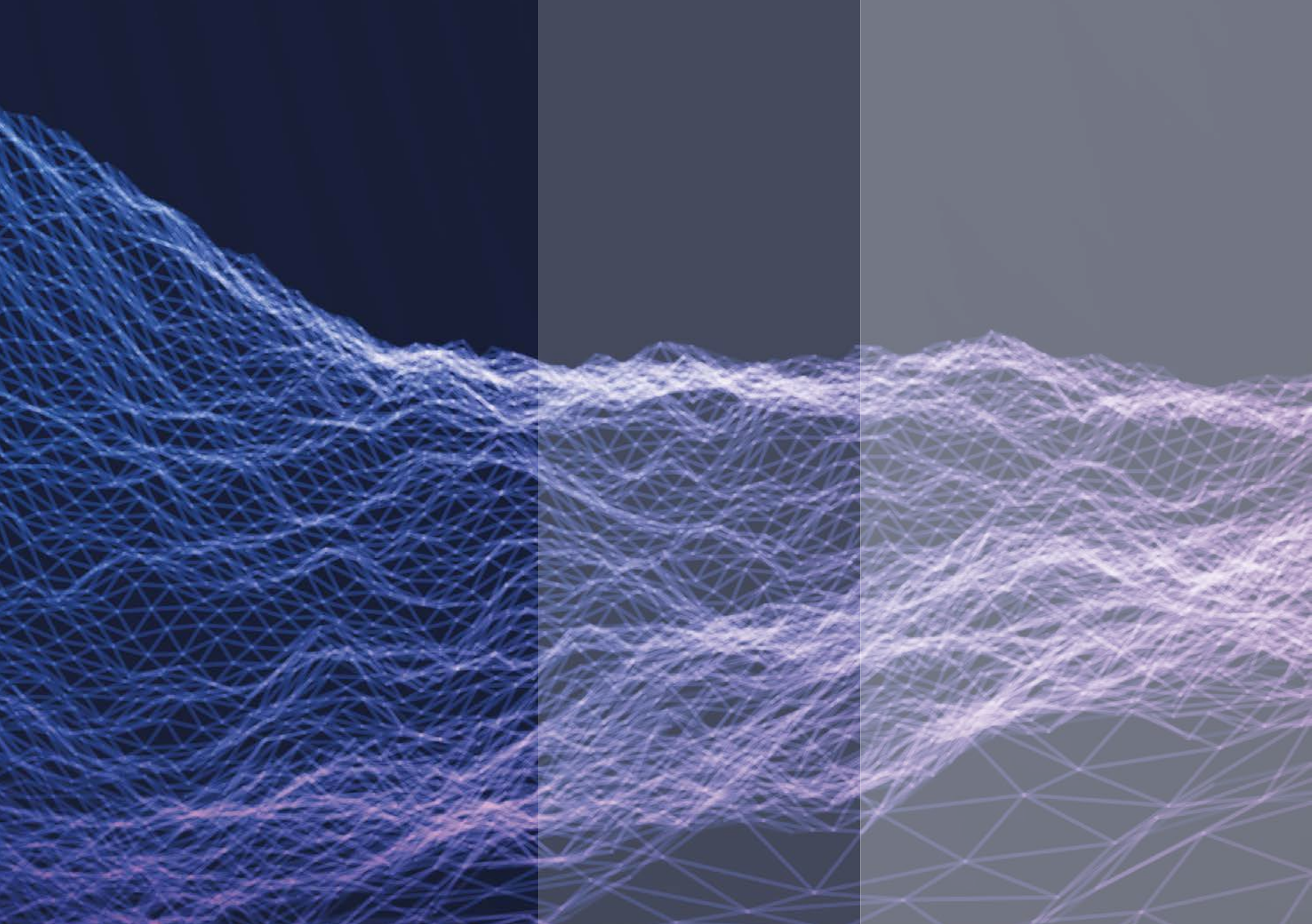
Central to our approach is our unique **proposition innovation framework**, guiding the development of products through an holistic understanding of our customers' needs and expectations. Our framework ensures that new propositions are comprehensive and responsive to the dynamic nature of actual customer needs.

Customer-centric innovation is at the heart of our philosophy. By exploring how potential policyholders live, the risks they encounter, their information and decision-making sources and their ideal product structures, we use a flexible approach to co-create new solutions with you.

As the insurance industry continues to undergo significant transformation, the need for adaptable, innovative solutions has never been more critical. Munich Re is here to help you lead the charge, ensuring that you can deliver on the promises of the past and meet the challenges of the present, while preparing for the uncertainties of the future.

Our proposition innovation framework for providing holistic coverage across all stages of a customer's expected medical journey





Our propositions

Critical Illness solutions

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Comprehensive Outcomes-Based cover which meets customer needs

Critical Illness innovation has historically focused on increasing the number of conditions covered and enhancing the features offered, leading to an overly complex design which is difficult for policyholders and distributors to understand.

The use of static diagnosis-based definitions also threatens sustainability as medical advances facilitating earlier detection and less invasive treatments impact the relative severity of suffering an illness, driving up premium rates and affordability.

Our Outcomes-Based Critical Illness (OBCI) assesses the severity of an illness by considering a combination of diagnosis-, treatment- and lifestyle impacts-based definitions. Through combining these we ensure pay-outs are directly correlated with the severity of an illness, paid at the time customers incur expenses.

The product structure can be vastly simplified – with far fewer definitions, OBCI is easy to understand and flexible, offering more comprehensive cover than today's conventional products.



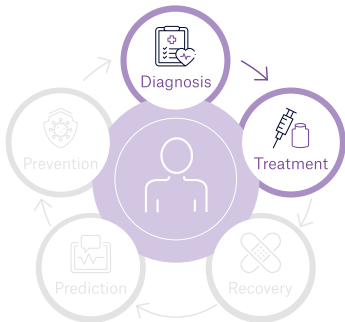
Outcomes-Based Critical Illness (OBCI)

A sustainable alternative approach to critical illness product design



Identified customer needs

- Comprehensive coverage against a range of serious critical illnesses
- Peace of mind that claims pay-outs will meet financial needs
- Affordable premiums, relative to the cover being provided



OBCI Simple & Complex



Listed diagnosis-based definitions

- Existing listed benefit definitions for major illnesses
- Allows for easy comparison to existing coverage available



Treatment-based definitions

- Considers type and frequency of treatment required
- Invasive treatments generally associated with higher severity



Lifestyle impacts-based definitions

- Considers long-term impact of suffering a condition
- Measures severity based on ability to live independently



Benefits

- Allow for greater differentiation in payment, based on severity
- Use definitions which are simpler and easier to understand
- Future-proof in light of expected long-term medical advances in treatment
- Fewer definitions but provide more comprehensive and more relevant cover to customers



Launched in:

- Malaysia
- Indonesia
- South Korea

Incorporating early detection technology in relevant and innovative new Critical Illness products

Regular screening for cancers can lead to early detection and improved long-term survival, but may not be universally available, leaving customers vulnerable against cancers progressing undetected to advanced stages with limited treatment options and less favorable outcomes.

Multi-Cancer Early Detection (MCED) tests, a subset of liquid biopsies leveraging advanced genomic technologies and algorithms, is emerging as an accessible solution to identify multiple types of cancer at their earliest stages, often before symptoms manifest or imaging methods reveal their presence.

We have developed an innovative proposition which incorporates MCED screening in a sustainable Critical Illness framework, leveraging our outcomes-based approach for cancer products and providing relevant pay-outs across all stages of a customer's cancer journey.



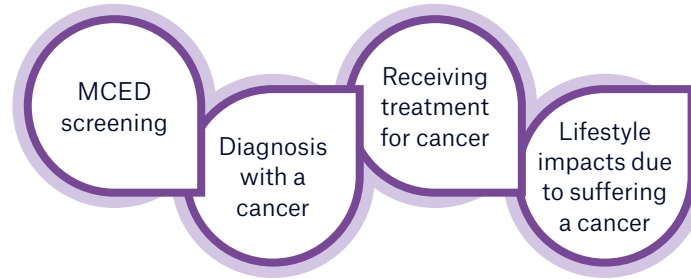
Sustainable severity-based Critical Illness

Incorporating Multi-Cancer Early Detection (MCED) screening tests



Identified customer needs

- Critical Illness pay-outs that match the **timing and quantum** of financial **impacts** due to suffering a critical illness
- **Access** to new generation screening tests which leads to **earlier detection** and **improved longer term outcomes**
- **Affordable cover** against critical illness



Highlights

- 1 MCED screening tests** offered free of charge
Reimbursement of cost of confirmatory test on positive result
- 2 Severity-based cancer pay-outs**
with higher coverage for advanced stage cancers
- 3 Pay-outs directly covering costs of cancer treatments**
including surgeries and treatments for cancers
- 4 Additional pay-outs**
for cancers which result in an inability to live independently



Benefits

- Significant **reduction in risk**, whilst **meeting customer needs** and offering **access** to advanced screening methods
- Cancer pay-outs which are **directly linked** to the expected **financial consequences** and **timing** of medical treatments
- A longer term **sustainable critical illness** product, offered at a **lower cost to customers**

Addressing the financial barriers associated with accessing specialist cancer therapies

Critical Illness products generally fall short in addressing the financial complexities of cancer treatment – the timing of benefits does not necessarily mirror the courses of treatment that can be unpredictable.

The last decade has seen a rapid increase in the number of first line cancer treatments, designed to be less invasive and more effective in ensuring a high quality of life after suffering a cancer.

Innovative second line therapies like CAR-T cell therapy and experimental treatments are emerging as potential game-changers for those who don't respond positively to standard treatments. But customers face significant barriers in accessing these, primarily due to their prohibitive costs.

We have developed two innovative features enhancing cancer cover by providing customers financial access to specialist drugs that promise improved long-term outcomes.



“Experimental” drugs and Cell therapy for cancers

Offering cutting-edge advancement in cancer treatments to customers



Identified customer needs

- Additional fear and emotional distress when treatment outcomes are not satisfactory
- Specialist drugs may not be easily accessible in the existing medical system
- Traditional insurance products are not designed to match benefit pay-outs with treatment journey



What we cover



“Experimental” drugs

Coverage is on a **reimbursement** basis, payable **once per lifetime** and **up to age 85** only



Cell therapy (CAR-T)

Payable as an Early/Minor critical illness condition, **at 20% lump sum** of sum assured

Requirements for payment

- Treatment is deemed **Medically Necessary** within two years from the date of first confirmed diagnosis of cancer
- Can be extended to also cover **Alzheimer's and Parkinson's Disease**
- The first infusion of CAR-T treatment **has commenced**
- The CAR-T treatment must have received **regulatory approval**
- The treatment is **prescribed by an Oncologist** acceptable to the Company



Benefits

- Offer a “**safety-net**” when first line therapies are not effective in treating the condition
- Access to specialist drugs that are likely to **yield significantly better long-term outcomes**
- **Remove barriers** to treatments due to prohibitive costs



Launched in:

- Hong Kong
- Singapore

Integrating mental health support into comprehensive critical illness coverage

Heightened public awareness and advocacy from mental health organisations are playing crucial roles in dismantling the stigma that once stifled discussions about mental health.

Society's attitude toward mental health have shifted, acknowledging the intricate bi-directional relationship between physical and mental well-being. As the public slowly embraces a more inclusive view, the demand for insurance products comprehensively addressing the financial repercussions of mental health has never been more urgent.

Mind-Body Connexion meets these consumer needs by offering holistic coverage against mental illness (including sleep and eating disorders), covering prevention services, treatment expenses and income replacement.

By including mental health cover, insurers can better serve their diverse clientele, while cultivating loyalty and trust.



Mental Health proposition

Topical benefit to unlock new markets in a post-pandemic era



Identified customer needs

- **Financial support** to take time off work and pay for treatment costs
- **Emotional support** to reduce the likelihood of disease progression
- **Access to services** to manage their mental health and well-being



Medical studies prove a clear bi-directional relationship between mental and physical health

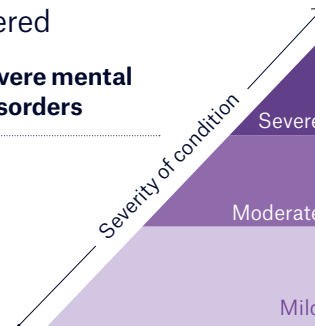


Mind-Body
Connexion

- Increased risk of severe mental diseases in patients with chronic health conditions
- 2 to 3 times higher mortality risk compared to population

Comprehensive risk protection offered

- Lump sum Critical Illness benefit for 5 **severe mental health** conditions and 2 **sleep-related disorders**
- In-patient and out-patient benefits for **moderate mental health** conditions
- Behavioural and lifestyle modifications to improve **mental and physical well-being** through a digital solution



Death



Critical
Illness



Medical
expenses



Benefits

- Having a mental health solution **unlocks new market segments** in the post-pandemic era
- Addresses a **need in the market**
- Win-win solution for **preserving mental and physical well-being**
- **Strengthens branding** through focusing on preventive care
- Resonates with customers' personal experiences, enables **easier buy-in**
- **Derive mortality and morbidity benefits** in the longer term

Tailored and relevant solutions for the underserved middle-income bancassurance market

Bancassurance offers an opportunity to expand insurance penetration by offering tailored protection that resonates with customers' financial realities, lifestyle, commitments and needs. Successful propositions should alleviate customers' fears around insurance – complex jargon, perceived hidden costs and its long term nature.

Our bancassurance proposition feels more like a subscription, creating a low commitment environment encouraging adoption. We define cover in months of salary, ensuring a better understanding of what coverage means in a context that is meaningful and relevant. Coupled with utilising credible data insights, our proposition ensures the majority of customers receive cover meeting their individual needs, without the need for underwriting.



Bancassurance solution | Income-based protection

A flexible embeddable solution to drive protection sales in underserved segments



Identified customer needs

- An aspiration to **achieve greater insurance penetration** into the bank's customer base
- Addressing sales barrier through **significantly improving customer journey**
- A desire to **increase pure protection insurance sales**



Customer



Credible data insights

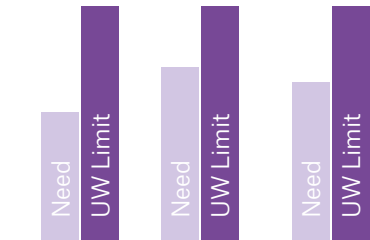
Outcomes based coverage

- Coverage fitting with the **existing banking behaviour**
- **Addressing** customers' **fears**
- Coverage should be **proportional to consequence**



Feels like a subscription

- **Flexibility** and **low commitment** feeling to drive customer adoption



Coverage based on real customer banking data

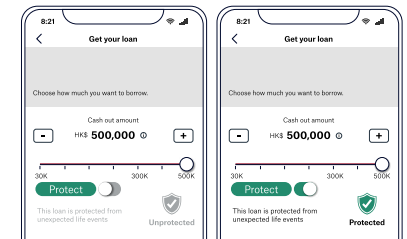
- Cover offering defines protection in terms of number of months of an individual's salary

Majority of customers have their individual needs fulfilled on **GIO & SIO** basis



Benefits

- **Simplifying** the concept of protection needs analysis
- Unlocking the power of bank data into creating a more **streamlined underwriting journey** for easy customer onboarding
- Providing customers insurance cover **tailored to their individual needs**



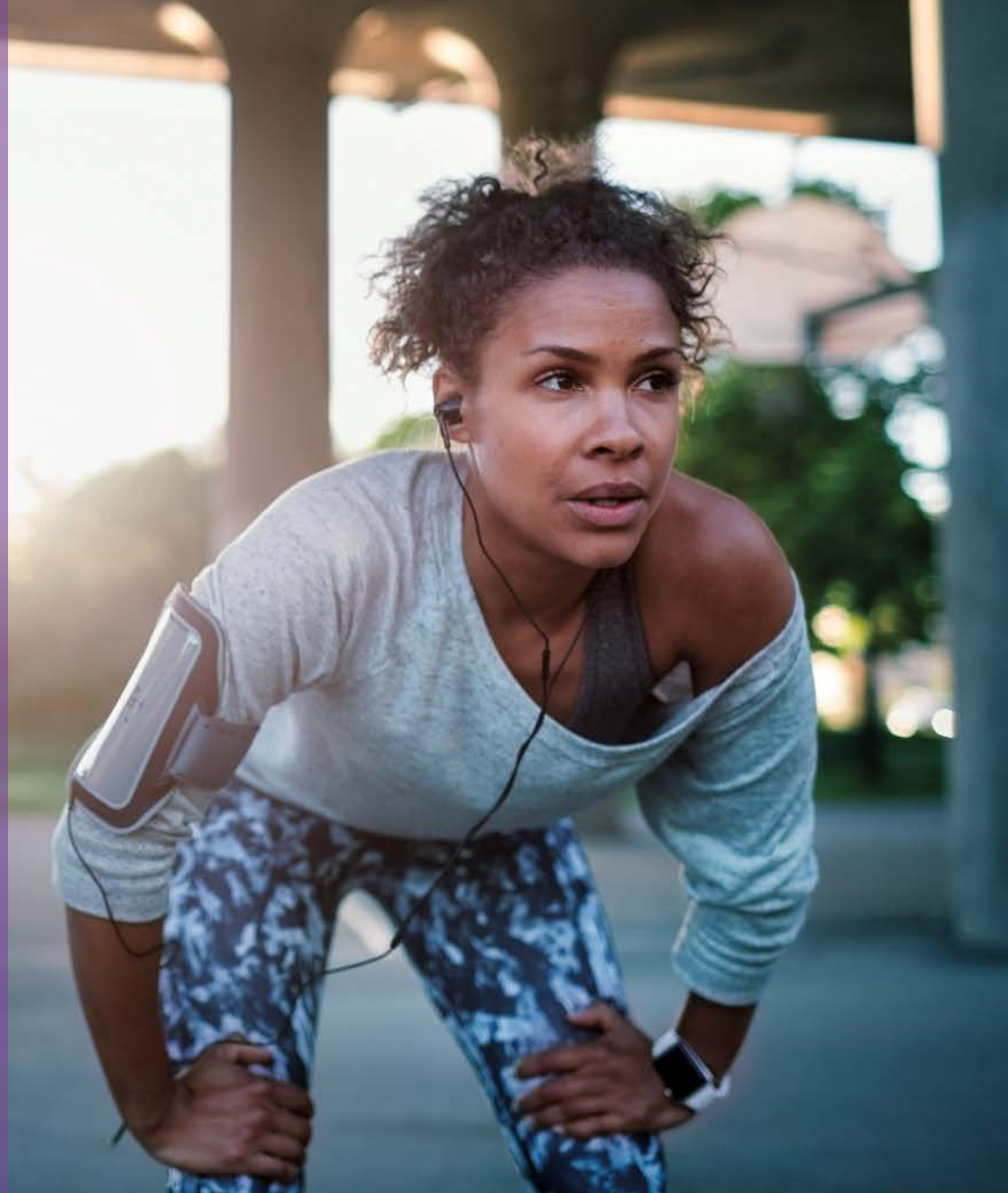
Switch on your **PROTECTION NOW**

Enhancing recovery and quality of life through rehabilitation services

Suffering a major illness can drastically alter one's everyday life. Tailored and specialised rehabilitation solutions can play an important part in facilitating a speedy recovery, promoting independence and enhancing quality of life.

Products which incorporate digital rehabilitation benefits can guarantee access to expert recovery services, securing the best possible outcomes and minimising the risk of illness recurrence. With a quantifiable and proven impact on mortality and morbidity experience, rehabilitation services can complement traditional life insurance creating a win-win scenario for customers and insurers.

We offer **digital rehabilitation services** which can be incorporated seamlessly and free of charge under existing products to qualifying customers.



Rehabilitation solutions

Alleviate the disease burden, create mutual benefits for insureds and insurers



Identified customer needs

- Obtain expert medical treatment to ensure the **best possible** outcome post recovery
- Get quality care to **resume a normal lifestyle** and prevent recurrence of illness
- **Secure guaranteed access** to rehab services which are limited under public healthcare systems



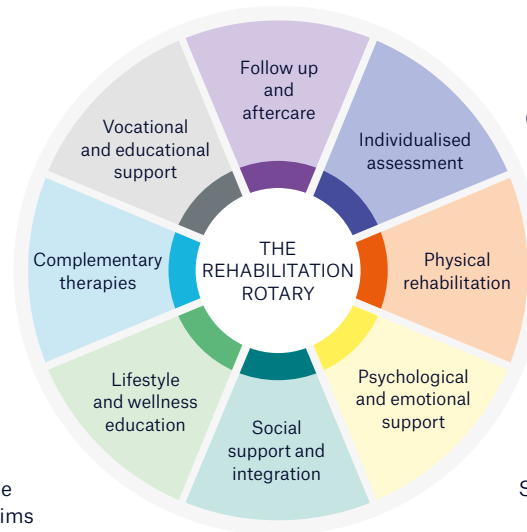
We offer **digital rehabilitation services** with a quantifiable and proven impact on claims experience **free of charge** to qualifying customers



Digital in nature



Quantifiable impact on claims



Complementary service



Seamless product integration



Death



Accident



Critical Illness



Disability



Medical expenses



Benefits

- Rehabilitation improves clinical outcomes, results in **mortality and morbidity improvements** for insurers
- Digital rehabilitation solutions ensure **easy accessibility** and **reduces costs**
- Clear synergy with Health and Wellness and **aligns with insurers' strategic priorities**



Cardiac Rehabilitation

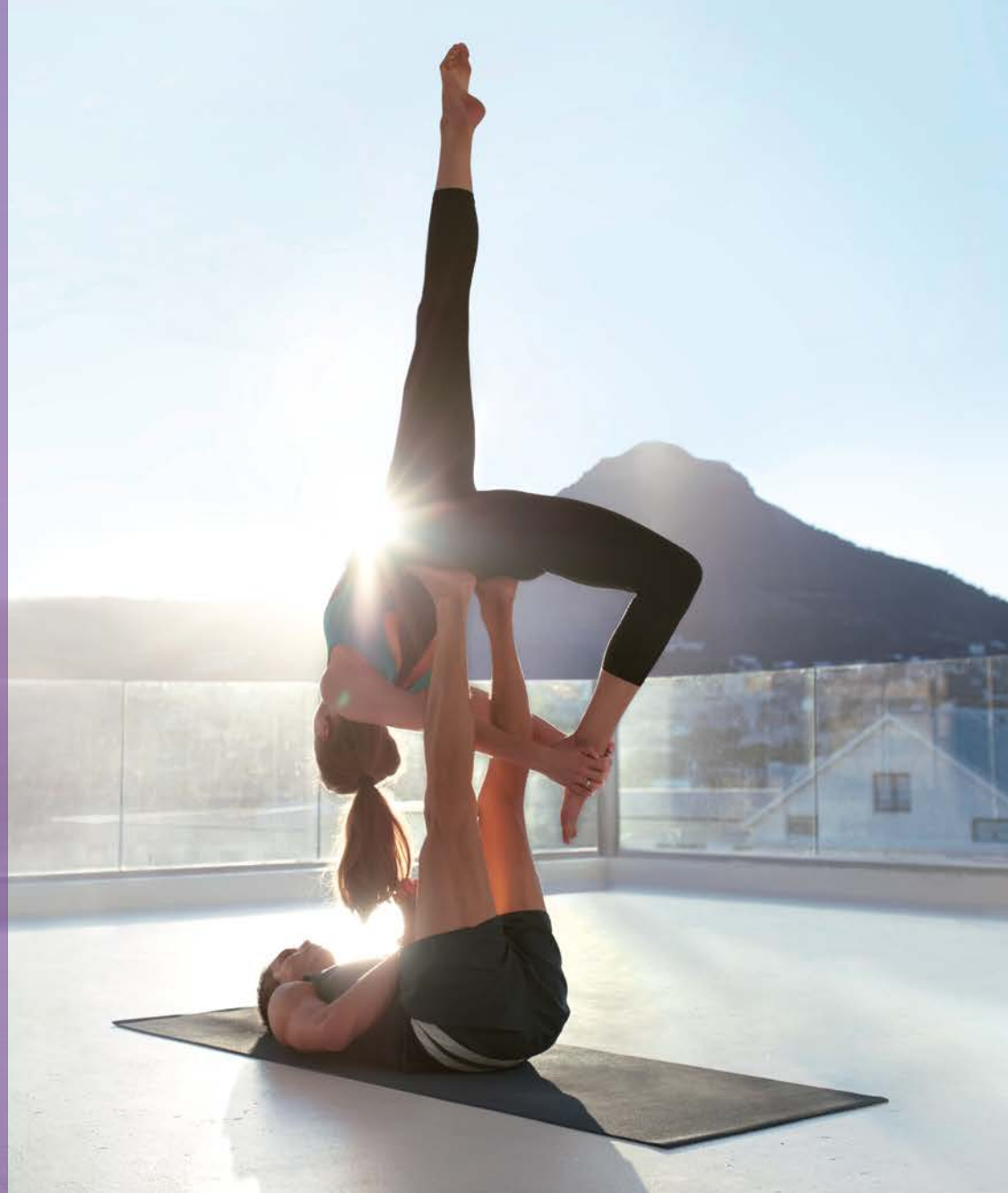


Sleep Rehabilitation

Real customer rewards offered in a streamlined onboarding journey

Medical studies consistently demonstrate the profound impact of physical activity on long-term mortality and morbidity. Engaging in regular physical activity leads to a significant reduction in the risk of chronic diseases like heart-related conditions, diabetes and certain cancers.

The **Munich Re Risk Score** provides customers with the credit they deserve for living a healthy and active lifestyle. We use non-traditional underwriting variables and a simplified underwriting approach to segment insurance risk, allowing mortality and morbidity savings to be passed on to customers.



Munich Re Risk Score

Further stratifies mortality risk, simplifies and enhances underwriting



Identified customer needs

- Traditional full underwriting focuses on a **historic snapshot** of the insureds' health status
- Premiums paid by the insureds do not reflect their **changing risk profile** over the policy term
- Customers expect insurers to **evolve with technology** and improve their existing propositions



Revised underwriting approach



Simplified underwriting form



Risk score*

*Calculated with applicant's data, integrated into existing automated underwriting framework

Applications

Risk pre-screening

Non-traditional data sources (e.g. activity, income, education and family status) are used to augment underwriting decisions

Product and content differentiation

Provides bespoke solutions based on a customer's profile, their life events and their life stage



Death



Critical Illness



Disability



Benefits

- Creating a more streamlined underwriting journey for **easy customer onboarding**
- Greater granularity in risk differentiation, thus achieving 'pricing fairness'
- Improved risk management and better claims experience through a healthier portfolio, **improving overall profitability**

Age	43	Mortality	Critical Illness
Gender	Male	Munich Re Risk Score*	84 96
Sum insured	1,250,000	Premium discount	16% 4%
Height	1.79	Biological age	38 42
Weight	74		
Steps per day	7,953		
Marital status	Married		
Education	Postgraduate		
Annual income	<120,000		
Country	Hong Kong		
		CALCULATE	

Munich Re Product Innovation

Munich Re provides expert and bespoke product development services through our dedicated network of global, regional and local product development teams. We look beyond pure product development, instead considering the entire insurance value chain, including underwriting, pricing and claims management, to develop innovative yet bespoke new propositions which are directly relevant to the observed needs of our clients' specific target customer groups.

Beyond our traditional insurance propositions, we are also invested in the development of new propositions aimed at making smart and effective use of all available data sources. Our wide range of propositions cover all potential distribution channels across all lines of traditional and non-traditional insurance product types.

**Nick van der Nest**

Chief Propositions Officer
Life & Health Propositions Studio
Asia-Pacific, Middle East and Africa
NvanderNest@munichre.com

Learn more at:





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Münchener Rückversicherungs-Gesellschaft
Königinstrasse 107, 80802 München, Germany

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