IPMI market strategies, winning business models, key success factors and capabilities in a post-COVID-19 world

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Introduction

The international private medical insurance (IPMI) market has recorded significant growth in recent years, driven by increasing expatriation trends, accelerating global mobility of employees, rising sophistication of customer requirements and the search for best-in-class medical cover and services by expatriates, globally mobile and/or high-net-worth individuals. These trends have led to the emergence of a US$ 16 billion industry, headed by a number of established insurance players and an increasing number of new entrants looking to grab market share in this highly specialised insurance segment.

However, as most players in this sector have increasingly come to realise, winning in this highly competitive segment requires very specific skill sets and capabilities in order to ensure competitive offerings, pricing, medical servicing and supporting infrastructure, often encompassing a large number of market territories and countries. The multifaceted international healthcare environments and local regulatory requirements increase complexity and reinforce the operating challenges that these players are facing. This creates high demands on the right capabilities and business model, which needs to be sufficiently decentralised in order to ensure for proximity to customers at the local market level, but allows for sufficient levels of centralisation to ensure for economies of scale, knowledge and expertise transfer as well as global market and product outreach and innovation. The COVID-19 pandemic adds additional levels of uncertainty to IPMI market participants given the high dependency of the sector on international mobility and travel as well as related effects on health claims costs and expenditure.

This paper examines the strategies and business models adopted by leading players in IPMI as well as the key success factors and capabilities required to win and to sustain profitable growth in a post-COVID-19 world.

Methodology

Our methodology consisted of primary and secondary research, including qualitative and exploratory interviews with market participants in the IPMI industry and leading IPMI players as well as independent experts on the sector. We have used primary and secondary data sources to provide a view of premium volumes and market structures as well as future trends.

The IPMI market opportunity and the impact of COVID-19

The IPMI market has grown from a US$ 2 billion premium market in the early 2000s to a US$ 16 billion industry today.1

Figure 1 represents the gross written premium (GWP) and Figure 2 represents annual growth rates of GWP in the IPMI industry since 2003 and growth forecasts for the industry up to 2023.

![Figure 1: Global IPMI Market Size in GWP and Its Comparison](image)

Sources: Milliman analysis (2020-2023), McGrigor Group (2003-2019)2

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1 McGrigor Group (2020). The global market for IPMI.
2 Ibid.
The IPMI market growth rate has decreased from a relatively high 15% compound annual growth rate (CAGR) in the early 2000s to only 8% CAGR from 2013 onwards as the market has matured, reflecting the increasing saturation of the market with new entrants and aggressive pricing, particularly in the corporate segments.4

The COVID-19 pandemic has undoubtedly created additional pressure on the IPMI industry and its growth potential. According to McKinsey and Oxford Economics, most countries will experience a very severe decline of gross domestic product (GDP), with the US likely to experience a decrease of 8% in its real GDP in 2020, while China and the Eurozone will be hit even worse with a 10% decline.5 IPMI premium volumes, which include short-term travel but not trip cancellations, will be affected by the vast reductions in travel, both from outright travel bans and from the likely reticence of people to travel in the near term. With the onset of the crisis, most countries have urged their expatriates to come home. This decision will somewhat be influenced by the fact that, in some countries, the expatriates do not qualify for government support under the terms of their visas.6

In our base case scenario, we anticipate the impact of COVID-19 on GWP in 2020 to be relatively limited as most renewals will have already been booked at the beginning of the year. In 2021, GWP in our base case scenario is predicted to fall to an estimated US$ 15.7 billion, reflecting the impact of travel restrictions on the IPMI industry. Assuming that a vaccine will be found in 2021 and that business activities will incrementally start getting back to normal in 2021 onwards, we forecast GWP to reach US$ 17 billion and US$ 18.5 billion in 2022 and 2023, respectively. In our pessimistic scenario, GWP will be severely hit in 2020 due to repeated lockdowns later in the year and contract cancellations across the IPMI sector. The GWP under this scenario falls to US$ 15 billion in 2020, with further falls in 2021 to US$ 14.2 billion due to extended lockdowns, continuing travel restrictions and the lack of a vaccine. In this scenario there is a detrimental impact on employment in subsequent years and IPMI GWP is predicted to fall to US$ 13.3 billion in 2022 and remain at similar levels in the following years. In our optimistic scenario, we are assuming a V-shaped rapid recovery and a vaccine will be found towards the end of 2020, with GWP reaching US$ 16.5 billion in 2020 and a sharp uptick in economic activity, leading to IPMI GWP of US$ 19.4 billion in 2021, US$ 21.44 billion in 2022 and US$ 23.58 billion in 2023.

Appendix A contains our detailed assumptions and methodology used for projection of GWP for the years 2020 to 2023 (see the table in Section A.1).

The impact of COVID-19 will vary by region and will depend on the degree to which the pandemic has hit the various regions as well as the weightings of those regions within the total IPMI market. As shown in Figure 3, given that the weight of the US, UK and Europe is approximately 55% of the total IPMI market, the impact is likely to be significant.

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2 McGrigor Group, op cit.
3 It is noteworthy that an 8% increase in premium volumes is likely to be primarily a result of claims cost inflation as opposed to real growth in customer volumes, highlighting the increasing growth challenge in the sector.
6 McGrigor Group, op cit.
On the other hand, the pandemic may cause governments to reconsider their individual health insurance needs as no government already worried by the cost of healthcare will be keen to have to pay the cost of healthcare for immigrants affected by a pandemic. Most IPMI providers include some cover for pandemic-related healthcare services and will probably add additional level of COVID-19 cover to their products or offer new options with new pricing.

In the longer term, the pandemic may lead to increased awareness for international health insurance and create additional demand for IPMI products and services as expatriates, affluent local nationals and high-net-worth individuals seek to protect their health and well-being with international and more comprehensive health insurance products.

Appendix A contains detailed assumptions and our methodology for projecting the split of GWP by geography for the year 2019 (see Section A.2).

Customer segment strategies

As shown in Figure 4, corporate group business accounts for the majority of the IPMI market whilst individual segments only account for 21.5% of IPMI premiums.

Our customer segmentation is presented in Figure 5 and is based on key customer segments that IPMI players are targeting. The individual and corporate segments are further divided into sub-segments according to their specific characteristics, needs and behaviours.

Our IPMI interviewees reported the impact of COVID-19 on their businesses at three levels:

First, top-line impact with reduced new business volumes due to the crisis but equally fewer lapses as people decide to stick with their existing IPMI providers during this time of uncertainty. It is noteworthy that several players have seen a surge in individual sales, which is likely due to an increased awareness for healthcare insurance in local markets as well as possibly some expatriates leaving corporate schemes and switching into self-paying arrangements. In corporate schemes, there was generally a slowdown in sales over the last six months, with brokers being in lockdown and some shrinkage due to downsizing in some markets. There was equally some impact in the nongovernmental organisations (NGOs) and intergovernmental organisations (IGOs) segments.

Second, loss ratios have seen a considerable decrease during the crisis because elective treatments were not taking place or were simply being postponed. It is debatable whether these claims will arise later or will simply never happen.

Third, operationally, there was an underutilisation of existing capacity within insurers due to reduced claims frequency and part-time work, impacting particularly claims management and policy administration functions in particular.

The impact of the pandemic has been very country-specific from a sales and distribution perspective, depending on the level of lockdown and the existing virtual reach and capabilities in key markets. Most providers anticipate the disruption to last into 2021 because of the change in consumers’ priorities, travel restrictions and the rising fear of the virus, which are affecting renewals and new business generation. A gradual improvement is anticipated in 2022.

Overall, however, the crisis has accelerated digitalisation and helped raise the profile of telehealth and digital treatment options and capabilities. In the longer term, there is a general consensus that COVID-19 will lead to an increased awareness for international health insurance, wellness, prevention and mental health.
in the near term whilst local health insurers often struggle with significant expertise and capacity shortages. This leaves an ideal space for international health insurers looking to fill this gap. We anticipate that the crisis will likely fuel further demand for IPMI products and services in these segments in a post-COVID-19 world.

With regards to students in the pre-COVID-19 world, the focus was primarily on inbound students in markets such as the US or Canada. There were two types of key offerings in the market, the rarer “rich-benefits” type and a lower benefit, more medical-travel type. Beyond the US and Canada, China was another key country from both an inbound and outbound perspective. However, with the COVID-19 crisis, higher education is likely to face at least 12 months of abnormal conditions until global student mobility recovers. Health security will become a major element in the decision making of families and students about where they go for education. It is probable that there will be a shift in movement patterns, with fewer opting for North America, Western Europe, the UK and Australia and more deciding to stay closer to home and study in China, South Korea and Japan.

Please refer to Appendix A for detailed assumptions and methodology used for projecting the split of GWP by customer segment for the year 2019 (see Section A.3).

Reflecting our interviews, IPMI players increasingly structure business models around key customer segments, putting in place a segmentation distinguishing large multinational corporates, small and medium-sized enterprises (SMEs), affluent local nationals and HNW high-net-worth individuals.

Future strategic focus lies on HNW and affluent locals and a number of players have dedicated strategies for these segments. The local affluent segment in particular represents a major growth driver for some of the established players in markets such as Asia and Africa. The potential rewards for the first entrants in this segment in terms of premium volumes and margins can be significant, given that it was previously largely untapped. SMEs are equally a priority and players increasingly develop dedicated broker engagement and cost containment strategies for this segment. The challenge often comes from the high administrative burden of small schemes inherent to SMEs. The IGO and NGO segments have not proved to be profitable for the insurers and the latter are trying to address this challenge with better pricing and aggressive risk monitoring as well as cost containment and network management initiatives relying on tight negotiation with network providers and large volume discounts.

Lastly, students appear to gain the attention of providers despite the short-term nature of their foreign stays.
Distribution models and strategies

In the world before and after COVID-19, the adopted distribution models of IPMI providers depend on their size and outreach in international markets, existing relationships with local insurance offices in local markets and other capabilities. The adopted models have implications on the profitability of the players.⁸

Our interviews reveal that the adopted model will reflect the existing capabilities and outreach in the market and customer preferences for online and offline modes as well as licensing requirements to operate in the market. The insurers rely on flexible approaches rather than trying to build hypothetical superefficient distribution models.

The MGA model remains popular with IPMI providers as it enables them to access new markets and to develop local market relationships with market stakeholders and healthcare providers in a much shorter timeframe. However, the dependency on value propositions and servicing capabilities of MGAs is a key disadvantage of this model, relocating the insurer into a pure payer positioning and reducing the insurer's contributions to a financial commodity.

In terms of other models, multiline insurers increasingly leverage their domestic health as well as life and property and casualty (P&C) operations to access IPMI customers in local markets as well as to achieve synergies of scope and chain (e.g., policy administration or claims management). The power of a well-established global and trustworthy brand as well as access to captive distribution networks in local markets often create a significant competitive advantage.

Broker engagement remains a key focus area for most players and significant effort is dedicated not only to developing the broker outreach in the corporate segment but also increasingly in the SME and individual segments.

We define the following distribution models for participation in local or in-market expatriate segments:

**Managing general agent (MGA):** Distribution and product design are outsourced to a third party and the IPMI player participates primarily in the risk management segment of the value chain. This model is prevalent in many smaller markets (e.g., Southeast Asia and Africa) as it allows for market participation for the insurer with very limited up-front cost and investment. In the MGA model, however, underwriting insurers often struggle with loss ratios because the separation of distribution and risk management often incentivises sales over business quality. In this context, designing focused collaboration and risk-sharing mechanisms is key to ensure for the right balance of risk and sustainable profits for the insurance partner.

Another challenge for IPMI insurers in this model is the dependency on the value propositions and servicing capabilities of MGAs, relocating insurers into a pure payer positioning and hence limiting the scope of influence over customer access and relationships. This is, in our view, a major consideration that makes the MGA model much less suitable for bigger markets or markets or customer segments in which market leadership or substantial differentiation are being targeted.

**Global (“Fly-in”) model:** The Global model is used primarily by large health insurers which operate in local markets without a local entity or partner, and typically without a local license. Relationship managers deal with in-market distributors on a fly-in basis with remote servicing. IPMI and local domestic coverage are provided offshore and the focus is primarily on outbound expatriates. However, whilst this model is suitable in the initial stages of market development and has been used by a good number of IPMI providers in the past, its days are numbered as it does not allow for sufficient market outreach, in-market focus and broker engagement in the longer term.

**Branch model:** A representative office for sales is established in the local market and in some cases for frontline servicing. However, most operations and product development are remote. The Branch model often represents the next stage of organic growth development in the local market.

**Partnering model:** In this model, IPMI providers participate in the local market via a strategic alliance or joint venture with a local partner, typically with a local insurer with distribution, but with limited IPMI expertise, global reach or capability to manufacture IPMI products. The international coverage is provided by the IPMI specialist whilst local market coverage is provided by the local insurer. For example, Aetna launched a partnership with the French insurer Humanis in France to develop the French market.⁹

**Group model:** In the Group model, players operate in local markets via a partnership with another Group entity, typically a health, life or general insurance subsidiary of a multiline or global health insurer. The IPMI provider of the Group is domiciled outside local markets and provides the international coverage whilst the local market coverage is provided by the local entity. Allianz and Axa operate this model in many markets where they have a domestic market presence. The model confers significant synergies of scope and scale in local markets. However, achievable synergies will depend on the degree of integration of the IPMI provider with the local market entity.

**Domestic Plus model:** Often used by domestic health insurers in some markets to sell international private medical offerings to their local customer base, the outbound medical cover for expatriates is through third-party administrators (TPAs) and the insurers rely on local partners at the destination. The IPMI portfolios of several domestic health insurers in Germany are

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examples of this model. However, the latter is easily challenged by global or better established IPMI providers, which can offer superior market coverage and servicing capabilities.

The preferred model option does vary by market and customer segment and often reflects a clearly defined strategic market development road map. Leading players set out clear criteria for each model and actively target entry and operating models which deliver the highest returns.

**Winning products and propositions**

IPMI providers often face challenges from a broad range of distributors as well as from local affluent and self-pay individual customers seeking more flexible or more granular products than the existing product tiers available. Such products can include regional cover, modular benefits with scope to flex outpatient cover and add-on benefits, shorter term policy durations or greater range of multi-language policy and sales documentation.

Such demands align closely to patient needs but challenge insurer claims ratios and operating costs. In many markets, insurers face the extra complication of local competition. Creating more granular products not only introduces complexity and erodes margin but also makes products easier for local health insurers to copy. Hence, the development of more flexible products is not just a trade-off between growth and volume. It is also a willingness to accept greater local competition.10

Our interviews indicate that whilst there has been significant focus on extending the product range with additional products and services in the past, in particular with products such as life and disability risks, or in developing flexible product offerings, the focus seems to be shifting towards simpler offerings. Product simplicity is becoming the new norm. At the same time, there is a recognition that a modular product is often required by various customer segments and allows carriers to respond to specific customer needs and purchasing patterns.

More importantly, though, the proposition focus is clearly shifting into additional healthcare services, including wellness, prevention and clinical management as well as mental health, given the background of COVID-19. The development of healthcare provider networks as part of the wider proposition design is another priority for IPMI providers.

With regards to wellness, in the pre-COVID-19 world its arrival in the IPMI industry has taken much longer compared with domestic PMI; only a few IPMI players offered extra wellness features in their plans in early 2018. Two years later, however, this development has accelerated tremendously. United Healthcare’s UK launch plan, named “Be Healthy,” was the clearest example of how importantly the sector is starting to take this.11 Far more emphasis is being paid to the wellness aspect today, with screenings, mammograms, employee assistance programmes (EAPs) and other well-being features. All the major players are investing heavily in wellness service offerings, although the commercial case for many of these offerings is still unclear. However, even midsized players focused on SMEs and individuals are recognising a greater need.12 Anticipate that wellness will be increasingly built into the standard offerings of IPMI players in the future, while it has been mostly an optional add-on until recently. Wellness, well-being and mental health are likely to become key focus areas of product and proposition development in a post-COVID-19 world for all IPMI players.

**Virtual health, telehealth and telemedicine capabilities**

COVID-19 has caused a massive acceleration in the use of telehealth. Consumer adoption has skyrocketed, from 11% of US consumers using telehealth in 2019 to 46% using telehealth today to replace cancelled healthcare visits. Providers in the US have rapidly scaled offerings and are seeing 50 to 175 times the number of patients via telehealth than they did before.13

However, challenges in the usage of telehealth remain. Research indicates provider concerns about telehealth include security, workflow integration, effectiveness compared with in-person visits and the future for reimbursement.14

Similarly to wellness, the IPMI industry lags its domestic health business counterparts in developing telehealth capabilities. However, the IPMI providers are catching up fast and COVID-19 has accelerated this journey for many. The table in Figure 6 in the Appendix summarises the key telehealth and well-being initiatives of the leading IPMI players before COVID-19 and we anticipate that many of these initiatives will gain further traction in a post-COVID-19 world.

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10 NMG Consulting, op cit.
12 McGregor Group, op cit.
Our interviews confirm that, besides focus on wellness and prevention, telehealth and virtual healthcare are becoming key elements of the benefit design. Telehealth is playing a vital role, particularly during the COVID-19 crisis, and some players have seen an upsurge of up to 600% in their use of these services. That being said, many IPMI players are still piloting in this arena. Most of them develop their telehealth services in collaboration with vendors (e.g., Teledoc, Truedoc or DocDoc), but in some markets own platforms are being used in order to enable better control over the services. In many cases, the aim in using telehealth is not just to deliver prescriptions, but providers are increasingly using it as a mechanism to influence, control and directly navigate the end-to-end virtual healthcare journey. In such instances, virtual health may potentially help to manage and prevent certain diseases more effectively. It possibly can lead to a reduction in over-utilisation in outpatient treatment, where a patient can simply connect with the doctor online and get the required consultation.

Moreover, artificial intelligence and technology are increasingly being used to accelerate growth in the areas of virtual health. Some players are using artificial intelligence and even blockchain in areas such as customer service, fraud and abuse, or leveraging these areas for more advanced claims administration capabilities.

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Cost containment

In the world before and after COVID-19, cost containment represents the core capability allowing IPMI providers to achieve sustainable profitability. However, the latter requires sophisticated expertise in provider management and managed care as well as dedicated cost containment measures to be implemented. Whilst such cost containment measures have been successfully implemented in domestic health market contexts, these measures are more complex to be put in place in international markets where the market environment is often less familiar and often characterised by a lack of critical size and volumes with providers.

IPMI insurers leverage cost containment techniques to tackle rising costs of healthcare, the financial impact of chronic diseases and the cost of technology. Some of the cost containment strategies and other techniques adopted by IPMI insurers are listed below:

- Offering high policy excess, reducing the cost for insurer and providing an opportunity of premium saving with reasonable levels of coinsurance
- Provider fraud prevention as the cornerstone of any cost containment strategy as fraud leads to increased cost to both customer and insurer
- Offering virtual care and telemedicine to enable diagnosis and treatment at lower cost via video consultations and online tools

- Negotiated rates with healthcare providers which are visited frequently by expatriates
- Proactive case management and medical triage, representing additional cost containment measures
- Underwriting excellence and risk-based underwriting, leveraging sophisticated experience-rated underwriting methodologies and tools that help insurers underwrite and price new business profitably across key customer segments

Based on our interviews, cost containment is a significant focus for most players and there is a shared awareness that cost containment capability is critical in IPMI. IPMI players ensure cost containment through network management, fraud prevention and abuse tracking, directionality in treatment and treatment referrals, use of second opinions, managing care throughout the entire patient journey and leveraging data analytics for understanding of the outliers as well as artificial intelligence to enable data exchange with medical providers.

Emerging conclusions on key success factors and capabilities

Our interviews and analysis point to a clear set of success factors and capabilities required for success in the IPMI market in a post-COVID-19 world.

First, size clearly matters—in terms of balance sheet size as well as global outreach and presence. The biggest IPMI players are likely to dominate the IPMI market in the longer term due to their ability to absorb the growing costs of compliance and digital investment, their purchasing power in key networks and the depth of their pockets for absorbing lower underwriting returns over time. That being said, some midsized market players and regionally focused smaller players are likely to remain successful as well. MGAs are particularly well positioned in this category as they provide access to smaller and fragmented markets where building sufficient scale even for the biggest players remains a challenge.

Second, distribution and broker engagement appear key due to the relatively short-term nature of client contracts and the high levels of lapses given the inherent nature of the IPMI business. Captive distribution is perceived as equally important by some players and can confer a significant competitive advantage to players with existing networks of tied agents and salaried sales forces. Some players perceive their dependency on third-party distributors, brokers and MGAs as a strategic weakness in the business model, cutting them out of this important activity of the insurance value chain and making them dependent on the value propositions and relationships of third parties.
Third, servicing and established reputation in this area are undeniably critical for success in the marketplace. This is often dictated by the extent and quality of network capabilities, clinical management and managed care as well as assistance capabilities. No doubt the leading healthcare brands have an edge on this attribute, but even then the complexity of the vast international markets makes these capabilities time-consuming to build and many players have to rely on TPAs and other service providers.

Fourth, cost containment is key for success. In particular, the capability to underwrite and contain cost in the low-margin and price-competitive corporate business segment appears critical as the latter accounts for almost 68% of the IPMI premium volumes (see Figure 4 in the customer segments section above). Leading players develop sophisticated experience-rated underwriting methodologies and tools that help them to underwrite and price this segment profitably. As the past experience of a good number of IPMI players has shown, it pays to be selective in terms of the risk that the players are taking on as opposed to having to offload loss-making corporate portfolios at later dates. In terms of cost containment, leading players dedicate extensive focus on developing this capability across markets and the challenge is often accentuated by the high number of dependencies on third parties, whether it’s healthcare and clinical providers or TPAs. Designing cost containment mechanisms with third parties as well as within the own organisation is key for the longer term profitability of the IPMI portfolios.

Fifth, data and analytics were mentioned by several interviewees and, whilst we have not dedicated a specific subsection to these issues in this paper, the importance of data and analytics in health insurance as well as for telehealth and digital capabilities development is evident. Data and analytics are increasingly starting to leapfrog into the IPMI space. Players with strong domestic health businesses will have significant advantages as they can leverage innovations and investments made in the domestic businesses for the development of applications and tools in their IPMI business segments.

All of the above assets and capabilities are time-consuming to build and as such create significant barriers to entry for new players and market entrants. Their inherent complexity makes imitations by competitors more difficult to operationalise, conferring a high degree of sustainability in competitive advantage and in achieved market positions of the established players. In a post-COVID-19 world, the future model of IPMI is likely to combine and leverage these five assets and capabilities to ensure for sustained and profitable growth.

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Milliman is among the world’s largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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## Appendix

### A. ASSUMPTIONS AND METHODOLOGY

A.1 Global IPMI market size and growth rate estimates (Figures 1 and 2 above):

<table>
<thead>
<tr>
<th>Year</th>
<th>Assumptions</th>
<th>Growth rate estimates</th>
<th>Assumptions</th>
<th>Growth rate estimates</th>
<th>Assumptions</th>
<th>Growth rate estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>High Global Medical Inflation expected to be 6.8% to 9.6% as per industry report.(^\text{15}) Impact on GWP limited as most corporate renewals already booked in early 2020 As a result of the pandemic, global GDP growth rate in 2020 is expected to be -4.9%.(^\text{16})</td>
<td>3.5%</td>
<td>Repeated virus outbreaks in 2020 lead to lockdowns and strong economic contraction Cancellations of IPMI policies later in 2020 given economic contraction and travel restrictions Recurrent and unpredictable travel restrictions and lockdown in most geographical areas Significant fall in overall economic activities and GDP growth rate in second half of the year</td>
<td>-4.0%</td>
<td>Successful vaccine found before the end of 2020, trials and controls on outbreak resulting in opening up of economies and economic activities in second half of the year. High medical inflation from personal protective equipment (PPE)</td>
<td>5.5%</td>
</tr>
<tr>
<td>2021</td>
<td>COVID-19 vaccine found in 2021 Opening up of economies, though with restrictions expected to continue in certain regions Impact of overall economic slowdown, due to significant fall in demand, more than offsetting medical cost inflation</td>
<td>-2.5%</td>
<td>Extended lockdown and strict travel restrictions in different regions depending on the spread of COVID-19 Delays in COVID-19 vaccination development and efficacy Strong contraction in GDP and deep recession with high levels of unemployment</td>
<td>-5.5%</td>
<td>Relatively lower GWP in the base year 2020 V-shaped strong economic recovery Sharp uptick in economic activity and surge in demand for IPMI due to increased awareness for health and insurance protection Higher medical cost inflation reflecting increased investments and spending on healthcare in the background of the pandemic Global GDP is expected to rebound to 5.4% in 2021(^\text{17})</td>
<td>16.0%</td>
</tr>
<tr>
<td>2022</td>
<td>Increased demand for IPMI due to increased awareness for health and insurance protection Low level of travel restrictions and businesses expected to achieve the pre-COVID-19 levels</td>
<td>8.0%</td>
<td>Significant impact on businesses due to lack of demand leading to sharp recession Third and fourth waves of epidemic outbreaks</td>
<td>-6.5%</td>
<td>Countries may issue mandatory IPMI insurance regulation for expatriates Continuous rebound of economic activities and growth Continued strong demand for IPMI as result of increased awareness and the pandemic.</td>
<td>12.0%</td>
</tr>
<tr>
<td>2023</td>
<td>Growth rate expected to be back at pre-COVID-19 levels</td>
<td>8.5%</td>
<td>Vaccine released in late 2022 or early 2023 Business activities start resuming with most of the travel restrictions lifted</td>
<td>1.5%</td>
<td>Continued strong demand for IPMI as result of increased awareness and the pandemic.</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

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\(^\text{16}\) IMF (June 2020). World Economic Outlook Update.

\(^\text{17}\) Ibid.
A.2 GWP Global split by geography (Figure 3 above):

We have used the McGrigor Group IPMI GWP split by geography segments for the years 2013 and 2017 as a starting point for estimating the split for 2019. The distribution of business depends on various factors such as economic development, education facilities, government regulation and policies and many more.

We used the following assumptions to derive our estimates:

- Europe, followed by North America, contribute to a major share of the GWP, i.e., 22.5%, but the contributions have reduced by 0.5% in comparison to 2017 because of their already large base, visa restrictions in the US and decline in expatriates on long-term assignments.

- The Middle East and North Africa (MENA) region to contribute 20% of the business in 2019, which is 1% less than 2017 due to social and economic changes observed in the region.

- Asia to contribute 11.5% of the global business from 10% in 2017 due to less market competition, increasing education levels among population and lack of product development skills.

- UK contribution declined to 7.5% in 2019, a fall of 1.5% from 2017, due to Brexit and the consequential fall in the value of GBP against major currencies.

- Sub-Saharan Africa region to contribute only 5%, which is 2% more than 2017. The growth is mainly driven by an increasing focus and presence of multinational companies.

- Latin America share to decline to 9.5% from 10% of business in 2017 due to a fall in affluent and HNW individuals by 38% and 30%, respectively, leading to sluggish growth in the individual customer segment.

A.3 GWP Global split by customer segment 2019 (Figure 4 above)

We have used the McGrigor Group IPMI GWP split by customer segments for the years 2013 and 2017 as a starting point for estimating the split for 2019. The distribution of business depends on various factors like the concentration of affluent and HNW individuals, government regulation and policies and many more.

We used the following assumptions to derive our estimates:

- Using our judgement, we assume that the corporate/group segment will have declined in 2018 and 2019 by 1.5%, reflecting the decreasing proportion of traditional expatriate customers.

- We assume that the NGO/IGO segment will remain unchanged at 11% due to static demand in the IGO/NGO segment and strong established relationships.

- We assume that the individual segment will have grown in 2018 and 2019 by 1.5% due to growing demand of local affluent individuals and self-pay expatriates.

### FIGURE 6: EXAMPLES OF TELEHEALTH AND WELLNESS INITIATIVES OF LEADING IPMI PROVIDERS

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>TELEHEALTH INITIATIVES</th>
<th>WELL-BEING INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna International</td>
<td>Aetna International “V-Health by Aetna” helps to deliver primary and other care services. It allows members to connect with doctors remotely (via mobile phone, tablet or laptop) to reduce the need for physical consultation and provides follow-on services to support diagnosis or treatment journey, including tests at home, a prescription delivery and specialist appointment with an approved healthcare provider within a wide network, as well as follow-up care by the doctor to understand treatment or rehabilitation options and support the recovery.</td>
<td>An employee assistance programme (EAP) is available to support any stress-related or mental health issues and supporting the cultural adaptation, safety and security of the workforce. Proactive healthcare emergency care, condition management and ongoing care for chronic diseases. Aetna International has launched DNA testing for its European members as an optional part of its wellness plan in 2019. Aetna International has a health portal for its members providing a library of medical information, including tips on wellness and how to stay healthy.</td>
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<td></td>
<td>Aetna is partnering in telehealth with vendors such as Teladoc, Truedoc and DocDoc. However, in some regions, proprietary telehealth platforms are being used to connect with doctors and clinics.</td>
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<td></td>
<td>Aetna International partners with mental well-being app Wysa for members during the COVID-19 pandemic.</td>
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18 McGrigor Group, op cit.

19 Companies’ websites, IPMI Magazine, Healthcare Global.
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>TELEHEALTH INITIATIVES</th>
<th>WELL-BEING INITIATIVES</th>
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<tbody>
<tr>
<td>Allianz Worldwide Care</td>
<td>- &quot;Allianz Digital Health&quot; has been established for health underwriting globally, with a strong focus on disease prevention and leveraging anonymous health data for predictions of future health behaviours</td>
<td>- Allianz Care has launched OLIVE, a proactive approach to health and well-being for corporate groups, IGOs and NGOs. It focuses on active prevention, i.e., identifying those at risk of getting a chronic disease such as diabetes or heart disease whilst data is gathered through on-site health screenings and an app, proactive treatment for any &quot;at-risk&quot; employees identified, with support ranging from attending talks by medical professionals to guidance on appropriate care where progress is monitored and empowered health and well-being through a range of digital health and well-being tools, where clients can get relevant information and support, set personal health goals and arrange team-wide fitness challenges.</td>
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<td>- In several markets, Allianz partners with &quot;LiveDoc,&quot; a telemedicine service, and digital healthcare provider MyDoc to offer video consultation services for international health customers</td>
<td>- Allianz Care offers life and disability cover alongside international health insurance to provide comprehensive health and life insurance solutions.</td>
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<tr>
<td>AXA Global Healthcare</td>
<td>- In Europe, AXA Global Healthcare partners with Advance Medical, part of TeleDoc Health, to offer teleconsultation services from experienced, internationally qualified and multilingual doctors</td>
<td>- AXA relies on other AXA brands in different regions and partners with other organisations to create a common ecosystem to provide telehealth, wellness and prevention services.</td>
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<td>Bupa Global</td>
<td>- Bupa Global offers “Maternity App due date Plus” to its business customers</td>
<td>- Bupa Global has launched an Assignment Support Programme (ASP) to support employees of SME and corporate customers before they set out abroad. Employees complete a health questionnaire and then get a personalised report with guidance on the local healthcare system and advice on planning for health needs during their assignment</td>
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<td></td>
<td>- The company partners with HERO to offer an international scorecard to its business customers, an online tool that helps organisations create an inventory of health and well-being best practices, benchmark their performances and understand how they can improve over time</td>
<td>- AXA Global Healthcare offers an international online doctor service, Virtual Doctor, which is available to all insured members with plans arranged by its EU and UK hubs. The online service provides convenient access to internationally qualified doctors over the phone 24 hours a day or via a video consultation.</td>
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<td>Cigna Global</td>
<td>- Cigna Wellbeing &amp; Cigna Envoy enable video consultations around the clock as well as other prevention measures.</td>
<td>- Bupa Global works with Advance Medical to provide its Global Virtual Care app providing virtual care services and access to international doctors by telephone or video call with multiple languages options</td>
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<td></td>
<td>- Cigna works with Buoy Health to provide an early intervention screening tool to help customers and members understand their personal risks for COVID-19. The digital tool triages symptoms and recommends next steps for care.</td>
<td>- To support the mental well-being of customers and employees, all levels of Bupa Global’s SME plans include “Everyday Resources”—a Global Employee Support Programme—as a standard benefit</td>
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<td>Generali Global Health</td>
<td>- Generali Global Health launched its My Digital Doctor app in collaboration with Advance Medical. It enables users to schedule video or phone consultations with internationally certified doctors and its fast and convenient access allows for earlier intervention, reducing severity of illness, absence from work and costs.</td>
<td>- Generali Global Health contributes to a member’s well-being through lifestyle assessment tools available through digital portals or wellness apps, e.g., the wellness app Bria helps members to identify risk factors and modify behaviour and connects seamlessly with over 1,000 popular health and activity trackers.</td>
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<td>- The company provides a confidential second medical opinion service via Best Doctor’s network of 50,000 specialists, which enables immediate access to an independent specialist to undertake a detailed review. The specialists are located all around the world, speak the customers’ language and are recognised leaders in their fields.</td>
<td>- The company partners with or acquires startups to accelerate learning and builds an ecosystem to provide better health solutions</td>
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<td>United Healthcare Global</td>
<td>- UHC has extensive in-house capability as it has two distinct platforms: UnitedHealthcare, for healthcare coverage, and Optum, which provides information and technology-enabled health services</td>
<td>- Generali Global Health provides a genetic testing service to members diagnosed with cancer. The swab test identifies which course of treatment is most suitable based on analysis of the member’s and the cancer’s genetic profiles.</td>
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