

**TOP LIFE INSURANCE**  
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**NEWS STORIES OF 2021**  
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## China



### **1. The multi-level and multi-pillar pension insurance system has been developed rapidly.**

In June 2021, China Life, PICC Life, Pacific Life and other life insurance companies participated in the pilot program of exclusive commercial pension insurance. In September, the National Pension Insurance Co., Ltd. was approved for establishment, and the wealth management subsidiaries of 10 banks including the Industrial and Commercial Bank of China and the Agricultural Bank of China participated, accounting for nearly 70% of the total shares.

### **2. The development of a multi-level medical insurance system has been accelerated.**

In June 2021, the China Banking and Insurance Regulatory Commission issued "The Notice on Regulating Insurance Companies' City-specific Commercial Medical Insurance Business" to promote the standardized development of the Huiminbao Insurance ("Benefitting the People" insurance) business. By the end of 2021, nearly 60 insurance institutions have participated in nearly 100 Huiminbao projects in multiple cities, with a total insured number of more than 70 million.

### **3. The opening up of the insurance industry continues to improve.**

In March 2021, the "Detailed Rules for the Implementation of the Regulations on the Administration of Foreign Insurance Companies" was officially implemented; in December, the China Banking and Insurance Regulatory Commission issued the "Notice on Clarifying the Measures for the Opening of the Insurance Intermediary Market", substantially canceling the access limit of foreign insurance brokerage companies. In 2021, Hengan Standard Pension Insurance Co., Ltd., the first foreign-funded professional pension insurance company, and Allianz Insurance Asset Management Co., Ltd., the first wholly foreign-owned insurance asset management company were approved to open, and Sino-German Allianz Life completed the transition from a joint venture to a wholly foreign-owned company.

## Malaysia



### **1. Insurance and Takaful Industry conducts study on “Key drivers of increasing medical insurance premiums in Malaysia”.**

The cost of medical care at private hospitals in Malaysia has been increasing along with the premiums of private medical insurance.

In 2019 - 2020, the insurance and takaful industry has commissioned an independent firm, Actuarial Partners to conduct a study on the key drivers of increasing medical insurance premiums in Malaysia.

The study examined more than 4 million claims from 2013 to 2018 from 50 insurers and takaful operators as well as interviews with private hospitals and third-party administrators (TPAs).

Medical claims inflation, defined as the average costs of a covered hospitalization, rose at an average of 9.3% for non-surgical treatments and 7.8% for surgical treatments throughout the study period.

The study identified five main drivers contributing to the yearly increase in private medical costs and claims:

1. Advances in Medical Treatment
2. Imported Equipment, Supplies and Medicines
3. High Prevalence of Non communicable Diseases
4. Aging Population
5. Increasing Benefits and Policy Design

Among the moving forward plans charted by the industry to reduce the rising cost of healthcare and medical insurance premium include:

- Introduce more alternative plan designs with lower premiums and cost sharing provisions for policyholders to maintain their medical coverage and encourage cost control
- Move to annual pricing cycles to reduce rate increase shock and incidents of healthy insureds leaving for premiums that are temporarily cheaper
- Engage with stakeholders to explore ways to curb unnecessary expenses Doctors, private hospitals, insurers and regulators must all work together
- Greater transparency by publishing the average costs of common procedures/treatment This can empower policyholders to make better healthcare decisions

- Automate and digitize Guarantee Letter process to reduce admin costs and improve the insured patient experience

## **2. Perlindungan Tenang Voucher Programme (PTV)**

On 30 September 2021, the Malaysian Government in collaboration with the Insurance and Takaful Industry, launched the Perlindungan Tenang Voucher Programme (PTV), a national initiative offering social protection to 8.4 million recipients from the Bottom 40% income group (also known as Bantuan Prihatin Rakyat (BPR) recipients). Under the programme, a RM50 voucher is allocated to BPR recipients from the household, single and senior citizen categories to purchase a Perlindungan Tenang protection plan from participating licensed insurers and takaful operators in the country.

Perlindungan Tenang protection plans were developed by the insurance and takaful industry to serve the needs of the underserved segment, particularly the lower-income population. It fits the criteria of being affordable, easily accessible, good protection value, easy to understand and easy to purchase and to make claims.

A PTV portal [www.myptv.my](http://www.myptv.my) was setup for BPR recipients to check on their voucher eligibility and upon confirmation of their eligibility, they are advised to visit [www.mycoverage.my](http://www.mycoverage.my) to select the protection plans that best suits them.

The voucher can be redeemed for a range of protection plans covering death, accidents, damage to properties or other unfortunate events. Over 1.7 million of the RM50 vouchers valued at over RM85.4 million have been redeemed by the BPR recipients in 2021.

The Government had also announced the extension of the PTV programme for another year with the voucher value increased to RM75 in 2022. The RM75 voucher is available since 1 January 2022, for BPR recipients to renew their existing policy or purchase a new policy. The voucher can also be used to purchase a motor insurance which will be available in the third quarter of 2022.

## **3. Medical and Health Insurance / Takaful Campaign (#AmbilTauBarulahTau) – (If you don't find out, then you'll never know)**

The insurance and takaful industry jointly launched a consumer education campaign on medical and health insurance called #AmbilTauBarulahTau (If you don't find out, you'll never know).

Launched on social media on 29 November 2021, the campaign aimed to drive awareness among Malaysians on the importance of medical and health insurance, factors that could lead to changes on premium and educating policyholders on their role as a responsible consumer. Other than educational infographics, the campaign also encompasses testimonial videos, educational write ups on content portals and social media postings by KOL and financial blogger.

In conjunction with the campaign, exclusive interviews with BERNAMA and BFM radio station were also arranged to highlight on the factors that contribute to the medical inflation, industry's efforts in managing the issue and initiatives by insurers to assist policyholders. The industry also unveiled the findings of the healthcare study on "Drivers of Medical Costs and Medical Insurance Premium Inflation 2020" at the media interviews.

Life Insurance Association of Malaysia

## Taiwan



### **1. The "Protection-type (Face Amount/Sum Assured Protection-oriented) Insurance Product Platform" has been launched, adding to available public channels for purchasing protection-type insurance products.**

To ensure the public enjoy access to simple and affordable insurance products enhancing their basic insurance protection, the competent authorities modeled along Singapore's best practices to establish a "Protection-type Insurance Product Platform" within the "Retirement Preparations Platform" combining protection, retirement investment and promotion of the public welfare while increasing public channels for purchasing protection-type insurance products. Although the platform was initially set for launch July 1, 2021, as a result of the novel coronavirus (COVID-19) epidemic, the date was postponed to September 23rd. The platform currently offers term life insurance, small end-of-life insurance and critical (catastrophic) illness health insurance policies. For these first three categories of products, there are 9 insurance companies participating, with more insurance companies to be added in the future, along with inclusion of further protection-type insurance products.

### **2. Promote relevant enhanced protection measures for senior consumers to protect the rights and interests of senior policyholders.**

Since the elderly affected by dementia, cognitive degradation, mobility impairment, critical illness, and lack of financial management knowledge are exposed to financial exploitation risks from their caregivers or persons with trusted relationships inappropriately using their property. The competent authority has also considered the best practices in the "Guidance for Firms on the Fair Treatment of Vulnerable Customers" issued in February 2021 by the United Kingdom's Financial Conduct Authority (FCA), as well as Japan's guidelines for life insurance services for the elderly, and plan to promote appropriate strengthening protection measures for senior consumers, to strengthen protection of senior citizens' insurance rights and interests regarding product design, solicitation, underwriting, and policyholder services. The new regulations are expected to begin implementation before the end of the first quarter in 2022.

### **3. The insurance industry has entered a new stage applying for insurance coverage, insurance services and insurance claims settlement services through remote means.**

Responding to advancing financial technologies and the novel coronavirus epidemic, to ensure consumers convenient and safe non-face-to-face contact insurance and services, the insurance industry offers remote security services, remote claims services, remote premium authorization and deductions, with common application standards for insurers, assuring adequate account risk control and customer rights protection. On November 18, 2021, the Financial Supervision and Administration Commission issued the "Directive Guidelines for Insurance Industry Remote Insurance and Service Operations", including requirements for trial operations before formal launch, clarification of customer intentions to apply for insurance coverage, enhanced customer identity authentication mechanisms, verifying audio and video files, information security and personal information protection mechanisms, the applicable scope of business operations and dispute resolution. This constitutes the official launch of remote insurance services.

On average, each citizen in Taiwan has over 3 life insurance policies, and the number of claims submitted under health insurance policies or injury medical insurance exceed 11 million annually. When these insurance policies belong to diverse insurers, the claims process can be time-consuming and laborious for the insured public to prepare and submit required documentation. To resolve these cumbersome and time-consuming processes with traditional insurance claims applications, this Association is cooperating with various insurance firms to assiduously create an "Insurance Claims Simplification" service, linking shared medical documents and data among participating insurers and medical institutions. These services were formally launched as of May 3, 2021. Policyholders need only to visit the APP or their participating insurer's website for claims and authorizations, then they can upload medical documentation including physician diagnosis certificates to the insurer of their choice through our "Insurance Technology Application Sharing Platform". The insured need not rush between the hospital and their insurance firms to deliver documentation, thereby greatly reducing the time and cost of documentation required for settling claims.

The Life Insurance Association of the Republic of China

## **Vietnam**



### **1. Life insurance market maintains growth momentum**

Despite facing many difficulties due to the impact of the Covid-19 epidemic, Vietnam life insurance market still maintained stable growth. In 2021, the total premium of life was estimated at 156,602 billion VND (6.87 billion USD), up 21% over the same period last year. In which, new-business premium was estimated at 48,786 billion VND (2.14 billion USD), up 16.9% over the same period last year. Total investment back into the economy in 2021 was estimated at VND 518,402 billion (222.7 billion USD), up 35.3% over the same period last year.

### **2. Changes in the number of insurers in Vietnam life insurance market**

At the end of 2020, Aviva plc (“Aviva”) agreed to sell the entire shareholding in its wholly-owned life insurance business in Vietnam, Aviva Vietnam Life Insurance Company Limited (“Aviva Vietnam”), to Manulife Financial Asia Limited (“Manulife”) for an all cash consideration. As part of the transaction, Manulife will enter into a new distribution agreement with Aviva Vietnam’s existing exclusive bancassurance partner, Vietnam Joint Stock Commercial Bank for Industry and Trade (“Vietinbank”). By the end of 2021, Aviva plc (Aviva) has just announced that it has completed the sale.

In February 2021, Shinhan Life Vietnam was licensed by the Ministry of Finance to establish and operate and became the 19th life insurers in Vietnam.

### **3. The first time to prosecute a case caused by the insured's act of insurance fraudulent**

In October 2021, the Investigative Security Agency of the Ministry of Public Security issued a decision to prosecute a criminal case for insurance fraudulent to appropriate property related to the fact that a customer bought up to 19 life and health insurance policies in different insurance companies having signs of fraudulent in declaring health information. Insurance frauds tend to increase in life and health insurance in Vietnam insurance market. Insurers hope this strict action will be of a deterrent nature, deterring future insurance fraudulent.



## Japan



### **1. Poor business performance due to the COVID-19 outbreak in the life insurance sector**

The total amount of annualized new business premiums of the 14 major life insurance companies for the first half (From April to September) of FY2021 was approximately JPY714.1 billion.

It appears to have increased significantly yet fell short of the pre-COVID-19 level.

### **2. Acceleration of ESG investing**

As an institutional investor, each life insurance company is accelerating ESG investing. By investing their collective premiums with the consideration of the E (Environment) S (Social) G (Governance) factors, according to their asset characteristics, life insurance companies aim to fulfill their social responsibilities to realize a sustainable society.

Fixed-benefit type annuity products, through which companies invest in stocks and funds that most likely bring a positive impact on the companies' corporate value and initiatives toward ESG have been introduced to the market.

### **3. Changes in a wage structure of sales agents**

One major life insurance company is about to change its sales agents wage structure from the performance-based salary, which fluctuate every month, to the fixed salary from 2022. Performance-based incentives will be paid four times a year, increased from twice a year. Partially due to the government request for a wage increase, this change will result in the increase of total salaries by 5% on average overall.