

# 2021 Global Medical Trend Rates Report

Global Benefits

# Table of Contents

- Introduction .....1
  
- Key Highlights.....2
  - Global Overview .....2
  - Regional Commentaries .....4
  - Call to Action.....9
  
- Results Summary.....10
  - Medical Plan Features .....10
  - Medical Plan Financing Approaches.....10
  - Medical Plan Employee Cost-Sharing .....11
  - Most Important Elements of Medical Plan Cost .....12
  - Key Conditions Driving Adverse Medical Claims Experience.....13
  - Risk Factors Driving Supplementary Medical Plan Costs .....14
  - Mitigation Initiatives to Control Medical Plan Cost Escalation.....15
  - Average Medical Trend Rate Tables .....16
  
- Other Survey Results.....22
  - Levels of Claims Information Available from Carriers .....22
  - Prevalence of Medical Plan Features and Derivative Benefits.....23
  - Alternative/Innovative Delivery Mechanisms .....24
  - Regional Summary of Employee Cost-Sharing Practices  
Impacting Premiums .....25
  - Regional Summary of Employee Cost-Sharing Practices  
Impacting Claim Outlays .....25
  - Global Wellness and Health Promotion Initiatives .....26
  
- Glossary of Terms .....34
  
- Appendix.....35
  
- Who to Contact.....36

# Introduction

Aon is pleased to present the results of its 2021 survey of average Medical Trend Rates from countries around the world. The survey was conducted among 107 Aon offices that broker, administer, or otherwise advise on employer-sponsored medical plans in each of the countries covered in this report. Each office represents one specific country. The survey responses reflect the medical trend expectations of the Aon professionals based on their interactions with clients and carriers represented in the portfolio of the firm's medical plan business in each country. The trend rates presented in this report do not include any allowances for potential employer countermeasures such as cost-containment plan amendments or the potential impact of any attendant employer/broker negotiations with carriers.

## **Aon has conducted this survey in order to help multinational companies:**

- Budget premium costs for medical plan renewals
- Understand the factors driving medical cost increases
- Devise wellness and cost-containment initiatives to respond to the challenges

The trend rate figures shown in this report represent the percentage increases in medical plan (insured and self-insured) unit costs that are anticipated to be technically required to address projected price inflation, technology advances in the medical field, plan utilization patterns, and cost shifting from social programs in each covered country.

Care should be taken in interpreting the information presented here. The Medical Trend Rates provided are not meant to represent an overview of each country's health care costs as a whole.

Neither are they necessarily indicative of the health care situation of each country's population overall.

## **This survey covers several separate themes:**

- Estimated Medical Trend Rates for 2021
- Risk factors that are driving medical cost inflation
- Principal cost elements in medical claims
- Wellness and health promotion initiatives being undertaken by employers to deal with spiraling medical cost increase trends
- The most common (modal) employer practices in each covered country around medical plan

prevalence, design, funding, and administration

- Qualitative responses to provide greater context to medical plans globally

This report also provides information on the growing practice of requiring employee cost sharing in medical plan costs. The report summarizes the most typical (modal) practices in each covered country in this regard—employee sharing in medical premium costs, or in medical claim outlays.

As a reference, we have also included the projected general inflation rates for 2021 published by the International Monetary Fund (IMF)<sup>1</sup> that have been adopted as a proxy for the expected domestic retail inflation level in each country for 2021.

The trend rate figures, risk factors, and cost elements in this report relate to employer-sponsored plans and their participants with aggregate premiums, or premium equivalent, managed by Aon of over USD 120 billion.

## **The global and regional Medical Trend Rate averages reflect the following technical procedures:**

- A weighting process based on each country's average private health care insurance expenditure per person with arbitrary adjustments for some countries in order to prevent over or under weighting.
- A geometric averaging mechanism

Due to the hyperinflation environment prevailing in Argentina, Lebanon, Venezuela and Zimbabwe, we have left these countries out of the regional and global Medical Trend Rate averaging mechanism for 2021.

Aon intends to issue annual survey updates in the future. We expect that as the global demand for medical plan benefits extends to more countries, the number of participating countries in our published reports will increase over time.

We hope you will find this report useful. We welcome any feedback you may wish to provide.

<sup>1</sup> IMF did not publish projections on general inflation for Argentina, Bermuda and Lebanon.

For Bermuda we have used the most recent domestic retail inflation figure as the best available proxy. For Argentina and Lebanon, we decided not to report a general inflation figure due to the lack of reliable proxies.

# Key Highlights

## Global Overview

The global economic slowdown caused by the COVID-19 pandemic has directly impacted employer-sponsored medical plans, with most of the countries covered by the survey reporting a decline in plan utilization during the initial 2020 outbreaks and lockdown measures that followed.

At the time of publication of this report, there was still a significant amount of uncertainty regarding COVID-19's impact on deferred treatments and long-term health care. While countries navigate through different outbreak phases, the general expectation is that plan utilization will return to normal levels (or prior pandemic levels) during 2021 as medical services begin to reopen to the market.

Despite the pandemic, the high prevalence of employer-sponsored medical plans is expected to continue. Furthermore, the scope of the provisions offered by these medical plans continues to expand (e.g. covering new procedures, fewer exclusions from plan coverage, and more lenient plan participation requirements).

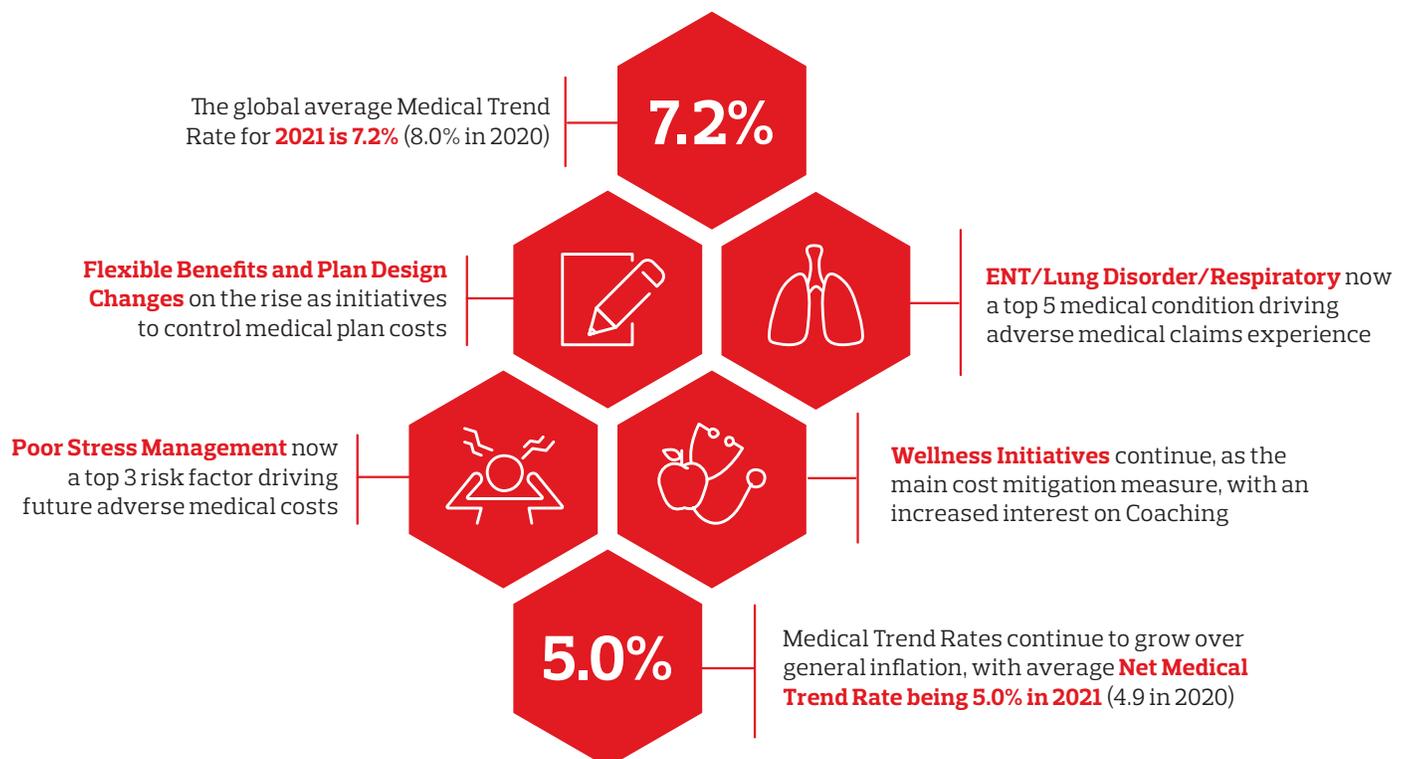
**At a global level, we are expecting a lower average Medical Trend Rate in 2021 relative to 2020**

**reported projections, following the expected global decrease in general inflation. With the exception of North America, the decrease will be echoed through all the regions, particularly in the Latin American & Caribbean region, where net trend is also expected to reduce.**

For Europe and the Middle East & Africa regions the Medical Trend decrease in 2021 is anticipated to occur at a slower pace than general inflation, resulting in a net trend upsurge, driven mostly by taxation increases and additional costs required by health care providers to accommodate new COVID-19 security measures.

With the anticipated drop in the Trend Rate in the Latin American & Caribbean region, the Middle East & Africa will become the region with the highest average Medical Trend Rate.

Finally, and contrary to the rest of the regions, North America reported a slight increase in the Medical Trend Rates. For both Canada and the US, and despite the lower general inflation expectations, we are anticipating Medical Trend Rates to increase for 2021 relative to 2020 reported projections.



**Exhibit 1: Double-digit margins between 2021 Medical Trend Rates and domestic inflation levels were found in the following countries:**



The 2021 average global nominal Medical Trend Rate is projected to be lower than the corresponding 2020 reported projection:

- For 2021, the global average **Medical Trend Rate** is projected to be 7.2% and the global average **general inflation rate** to be 2.2%<sup>1</sup>
- In 2020, the global average **Medical Trend Rate** was projected to be 8.0% and the global average **general inflation rate** to be 3.1%<sup>2</sup>

On the other hand, and for 2021, the **Net Medical Trend Rate**, the gap between the average global nominal Medical Trend Rate and the global average general inflation rate, is expected to slightly increase, moving from 4.9% as reported for 2020, to 5.0%.

<sup>1</sup>2021 projected inflation from IMF World Economic Outlook Database April 2020

<sup>2</sup>2020 projected inflation from IMF World Economic Outlook Database April 2019

## Regional Commentaries

The commentaries below present brief descriptions of developments that influenced the Medical Trend Rates in selected countries that have large medical premiums per employee:

### North America

#### Regional Average Gross Medical Trend Rate

**2021 | 7.0%**

2020 | 6.4%

#### Regional Average Net Medical Trend Rate

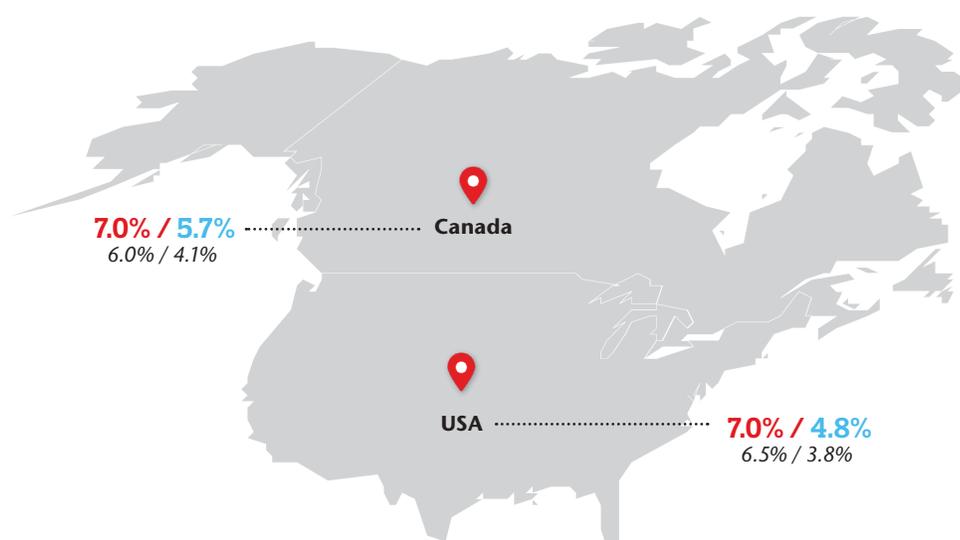
**2021 | 4.9%**

2020 | 3.8%

#### 2021 Annual Medical Gross % / Net %

vs.

2020 Annual Medical Gross % / Net %



#### Canada

In Canada there are several factors that may or may not come into play which could affect the Medical Trend Rate with general inflation having a minimal impact. The projected trend for 2021 is assuming that Canada will not experience a second wave of COVID-19 and subsequent lockdowns by the end of 2020 or in 2021, resulting in medical plan utilization returning to expected normal levels. The projected Medical Trend Rate also reflects the expected unit cost increase against the projected premiums and/or claims reported prior to the pandemic. However, and since there is a significant level of uncertainty +/- 3% variance should be taken into account.

#### United States

In the US, the full 2020 impact of the COVID-19 pandemic is yet to be seen and our best estimates are that, due to lower plan utilization as a result of a decrease in elective surgeries and outpatient routines, claims will run below original 2020 estimates. However, the lower 2020 claims basis moves the 2021 Medical Trend Rate upward, as claims are expected to return to normal levels despite a lower projected inflation rate. COVID-19 vaccinations, economic impact on medical providers, and long-term health impacts on the US population could result in additional upward future Medical Trend pressure.

## Asia-Pacific (APAC)

### Regional Average Gross Medical Trend Rate

**2021 | 8.0%**

2020 | 8.7%

### Regional Average Net Medical Trend Rate

**2021 | 5.5%**

2020 | 5.9%

### Australia

With the advent of more expensive procedures (such as robotics) in private hospitals, medical expenses have generally increased in Australia. COVID-19 saw 90% of private hospital beds commandeered by the government, and while the expected usage did not ultimately materialize, private hospitals are now back at capacity and regaining lost revenue due to the takeover. A 1% drop in Medical Trend Rate is expected as we see, at most, a single-digit decrease in private hospital revenues. Furthermore, ancillary spend is expected to continue at maintained rates, and while public sector costs for certain surgeries have reduced due to the delay of these treatments, they've been replaced by COVID-19 expenditures.

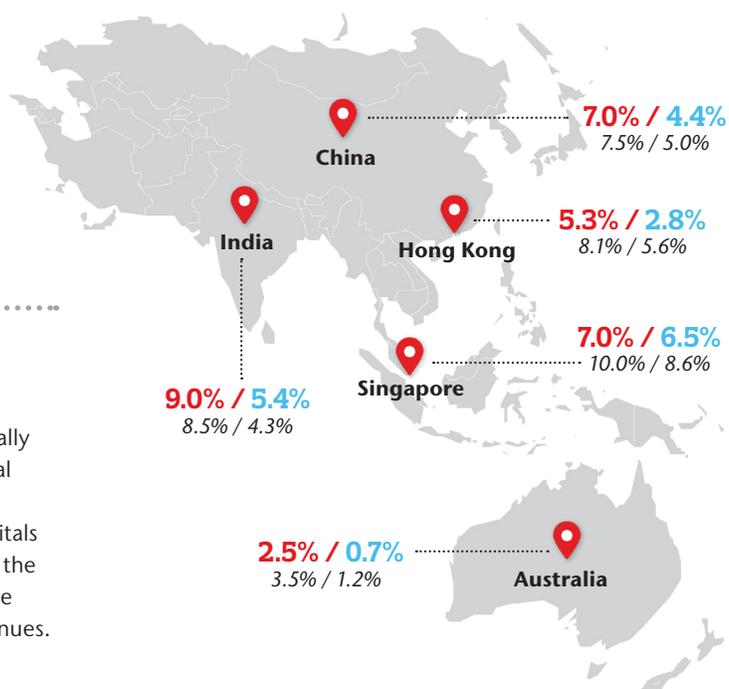
### China

In China, COVID-19 has impacted patient behavior and increased awareness of individual health measures. The implementation of better self-protection measures has decreased the incidence ratio of common diagnoses. Additionally, outpatient utilization has depreciated while online consultations have dramatically increased during the pandemic. Nevertheless, the Medical Trend Rate continues to be impacted by the growth on prices of medical goods and services, driven by an ageing population and the development of advanced technology applications, alongside the increased familiarity with medical plans and the convenience in claims submissions using technological means.

### Hong Kong

In Hong Kong, COVID-19 cases and related treatments are handled by public hospital facilities. However, due to a decrease in elective surgeries and outpatient routines within the private insurance market, plan utilization has been favorable to the insurers. This community-wide decrease in plan utilization is expected to have a positive impact beyond 2020, resulting on a downward projected Medical Trend rate for 2021, moving from 8.1%, as projected for 2020, to 5.3%.

### 2021 Annual Medical Gross % / Net % vs. 2020 Annual Medical Gross % / Net %



### India

The COVID-19 pandemic has heavily strained the healthcare system in India as deaths and new infections continue to rise (at the time of publication of this report). While there has been a reduction in medical plan utilization due to reduced elective treatments, the cost of treatment has increased due to new COVID-19 security measures such as the extensive use of PPE, testing and mitigation protocols for inpatient admissions. We expect high COVID-19 claim related utilization in the coming months as well as non-COVID-19 incidents normalizing in the year ahead as the economy opens, leading to a slight expected increase in the Medical Trend Rate for 2021.

### Singapore

In Singapore, the COVID-19 pandemic has resulted in lower plan utilization during the first half of 2020 due to the delay of non-essential treatments during the lockdown period. The expectation for 2021 is that inpatient care is likely to spike back up whereas outpatient care will return to approximately 70% of the pre-COVID-19 levels and eventually normalize. The community-wide decrease in plan utilization recorded in 2020 is expected to positively impact the Medical Trend Rate for 2021 and as a result, insurers are looking at a 7% Medical Trend Rate to continue plan sustainability, resulting in a drop from the 10% projection reported for 2020.

## Europe

### Regional Average Gross Medical Trend Rate

**2021 | 5.5%**

2020 | 5.7%

### Regional Average Net Medical Trend Rate

**2021 | 3.9%**

2020 | 3.6%

### France

The “100% Santé” reform (which imposes full coverage for a wide variety of dental, optical, and audio prosthetics-related costs) continues to impact the Net Medical Trend Rate, as it lingers through 2021. Although COVID-19 has resulted in an 80% drop in medical plan utilization during the 2-month lockdown period, the delayed treatments are expected to materialize in the near future. Once stabilized, utilization is forecasted to normalize. Furthermore, the government is expected to announce a new tax on medical plans to mitigate the COVID-19 impacts. The combination of these factors results in an expected upward direction for the Net Medical Trend Rate.

### Ireland

Ireland is a community rated market with an evolving risk equalization mechanism due for review in April 2021, and although we have seen a reduced government interference, there is still significant uncertainty related to COVID-19. During 2020 (as a result of the pandemic) private hospitals were co-opted by the public system due to lack of public capacity, and insurers were rebating premiums to the amount of anticipated claims payments over a 3-month period. However, for 2021 it is expected that demand for medical treatment pent-up during 2020 will drive increased medical plan utilization, which, together with the required security protocols and COVID-19 related testing, will continue to put pressure on the Medical Trend Rate, resulting in a slightly upward projection for 2021.

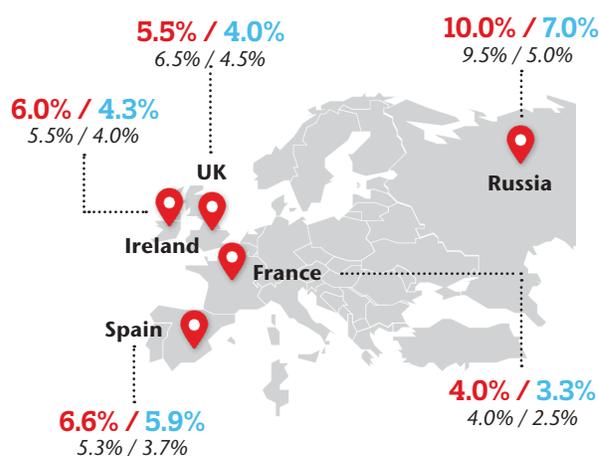
### Russia

In Russia, COVID-19 cases are being handled by the state healthcare system and therefore are not largely impacting the private insurance market. Impacts are indirectly observed via lockdown measures, and while there has been a somewhat lower utilization of medical plans, many outpatient visits have been replaced by in-home services which are more expensive. Also, we expect that most deferred elective treatments will ultimately materialize during 2021, which, together with currency depreciation against hard currencies, will push Medical Trend Rate to a level similar to the one reported during 2020 projections, despite a lower general inflation expectation.

### Spain

In Spain, and as a result of the pandemic, new pricing agreements for medical procedures are being renegotiated between private health care providers (namely main hospital

### 2021 Annual Medical Gross % / Net % vs. 2020 Annual Medical Gross % / Net %



groups) and the insurance market. This is expected to place additional upward pressures on the Medical Trend Rate for 2021, as health care providers accommodate new protocols for treating patients as part of COVID-19 security measures. Additionally, plan utilization, which has been lower because of the confinement and lockdown measures imposed in March 2020, is expected to return to prior pandemic levels during 2021, resulting in a slightly upward projected Medical Trend Rate for 2021, despite an expected decrease in general inflation.

### United Kingdom

In the UK, and due to the abundance of unknown factors, it is difficult to accurately detail what impact COVID-19 will have on medical costs, therefore we projected the 2021 Medical Trend Rate assuming a non-COVID-19 scenario. During the height of the pandemic in 2020, plan utilization saw a sharp reduction in activity. However, we are expecting to see the deferred claims emerge over the next year as medical services begin to reopen to the market. As a result, we expect an upturn in spending as increased security measures will be required to manage treatments in a COVID-19 environment. Due to continued reduced accessibility however, the growth rate will be gradual and thus we expect a slight reduction in the Net Medical Trend Rate for 2021. Furthermore, insurers anticipate a levelling-out of risk over the next 2-year period, but this could change with a resurgence in COVID-19 cases and subsequent lockdowns.

## Latin America & Caribbean (LAC)

### Regional Average Gross Medical Trend Rate

**2021 | 8.8%**

2020 | 13.1%

### Regional Average Net Medical Trend Rate

**2021 | 6.4%**

2020 | 7.5%

### Brazil

During the second quarter of 2020, and due to the COVID-19 pandemic, Brazil experienced a significant reduction in demand for elective health services. Also, companies were directly impacted by the economic downturn and fierce debates on health plan costs resulting in the National Health Agency (ANS) announcing in August 2020 the postponement of any premium rates adjustments for 120 days. However, the expectation is that plan utilization will gradually resume during the third quarter of 2020, and that throughout 2021 we will continue to observe an increase in utilization, which will place pressure on medical costs. Therefore, the Medical Trend Rate for 2021 is expected to stay at a double-digit level (10.6%), although lower than reported during 2020 projections (15%).

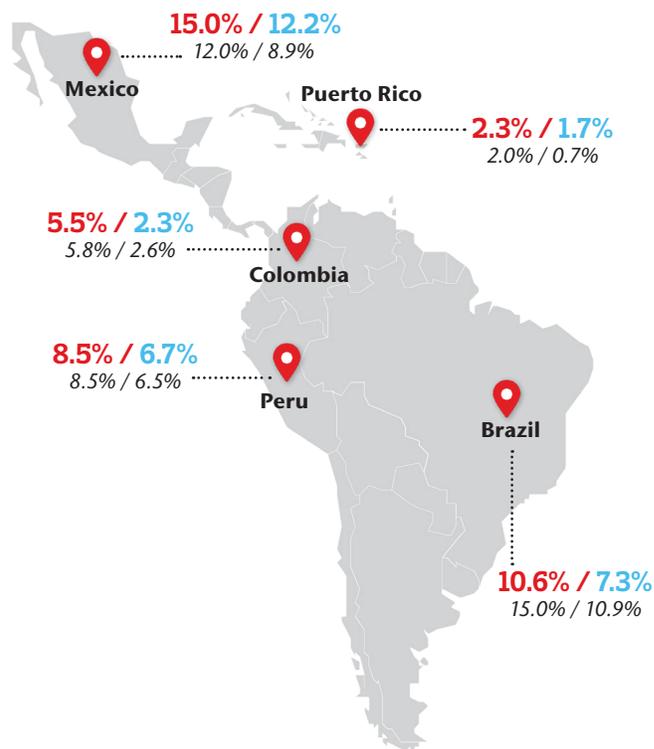
### Colombia

The 2021 Medical Trend Rate for Colombia is expected to be relatively stable compared to the rate reported in 2020, which is aligned with the growth observed on the official health pricing index. Due to the COVID-19 pandemic, and starting on the second quarter of 2020, we have seen a significant reduction in plan utilization, notable more on mid to large-sized employers and driven mostly by the lockdowns and employees being quarantined at home. However, plan utilization is expected to resume normal levels during 2021 and there is also the risk of higher demand for medical supplies in order to respond to positive COVID-19 cases.

### Mexico

Due to COVID-19, the Medical Trend Rate in Mexico is expected to increase, despite slightly lower projected general inflation. This is mostly the result of the additional security measures and protocols required during surgical procedures in order to mitigate the spread of the virus. It is estimated that these new protocols will increase surgical costs by 10%, which is expected to have an upward impact on the 2021 Medical Trend Rate, moving from 12%, as reported on the 2020 projections, to 15%.

### 2021 Annual Medical Gross % / Net % vs. 2020 Annual Medical Gross % / Net %



### Peru

Despite seeing increased hospitalization rates in areas impacted by COVID-19, in Peru, the 2021 Medical Trend Rate is expected to remain stable at the same levels reported during 2020 projection. The Medical Trend Rate is mostly driven by increasing prescription costs (which has been recorded at higher rates than general inflation), increasing costs of treatments due to the use of new technology by private health care providers, and increasing use of high-cost oncological medication to treat other diagnoses such as asthma and arthritis.

### Puerto Rico

In Puerto Rico, significant claims fluctuations due to COVID-19 are leading to a single percentage point increase in the Net Medical Trend Rate. While a reduction in overall medical premium volume is expected (impacted mostly by member attrition as a result of the contraction of the economy during the pandemic), plan utilization and claiming patterns are predicted to eventually normalize with the recession of the outbreak. As a result, the 2021 Medical Trend Rate is expected to remain stable despite the expected reduction in general domestic inflation.

## Middle East & Africa (MEA)

### Regional Average Gross Medical Trend Rate

**2021 | 12.0%**

2020 | 12.2%

### Regional Average Net Medical Trend Rate

**2021 | 7.1%**

2020 | 6.6%

### Angola

In Angola, COVID-19 has not had a significant impact on private medical plans, as the majority (close to 100%) of policies exclude pandemic-related expenses. However, the high Medical Trend Rate is expected to continue as result of both general domestic inflation escalation and local currency devaluation, which have been afflicting the country year after year.

### Egypt

In Egypt, the full impact of COVID-19 is still unknown, and although the IMF projects a downward trend in general inflation, there is still a significant amount of uncertainty as the economy struggles to deal with the pandemic. In addition to that, since mid-2020, Egypt currency has depreciated against hard currencies, which is expected to have a negative impact on the Medical Trend Rate since most drugs and medical equipment are imported. Therefore, although 2021 Medical Trend is expected to be slightly lower than the one reported during 2020 projections, it will still be significantly higher than general inflation.

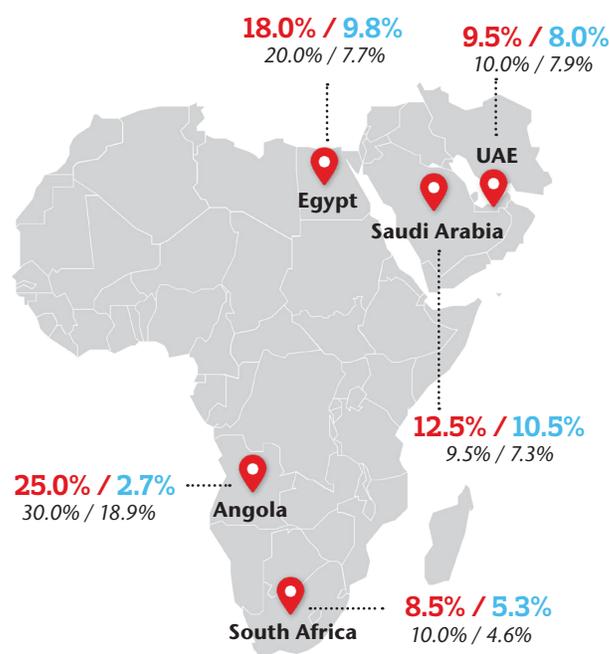
### Saudi Arabia

At the height of the 2020 COVID-19 outbreak, Saudi Arabia saw the majority of elective and non-emergency treatments and procedures postponed due to the lockdown restrictions. With the lifting of restrictions from July 2020 onwards, an increase in plan utilization and a hike in claims have been observed and it is likely that this trend will continue going forward. Moreover, should a vaccination become available, it is highly likely that regulators will include it under mandatory medical insurance coverage, with insurers having to absorb the cost. Furthermore, the recent announcement of an increase in VAT, from 5% to 15%, a consequence of the economic downturn of the pandemic, will also put upward pressure on the 2021 Medical Trend Rate, which is expected to move from 9.5%, as reported in the 2020 projections, to 12.5%.

### 2021 Annual Medical Gross % / Net %

vs.

2020 Annual Medical Gross % / Net %



### South Africa

In South Africa, COVID-19 resulted in a decline in plan utilization, namely for elective surgery and general claiming patterns, and as the country recovers from the height of the pandemic we are starting to see an increase in deferred treatments. However, the impact at this time is not fully known regarding COVID-19-related claims or deferred treatments expected to materialize in 2021. And while 2021 general inflation is expected to decrease as the South African Reserve Bank cuts the key interest rate (for the 5th time in 2020), the Net Medical Trend Rate is expected to remain stable. Furthermore, medical plans continue to seek a balance between current economic challenges and the affordability of private healthcare, and the result may be a prevalence in downgrading coverage in 2021.

### United Arab Emirates

In UAE, the downward IMF projections for general domestic inflation, an economic consequence of COVID-19, is expected to result in a lower Gross Medical Trend Rate as health care providers are likely to see their overall costs being reduced. However, our expectation is that the Net Medical Trend Rate will remain stable as underwriters can be seen applying buffers during renewals to account for the suppressed claims in the first half of 2020 which are expected to materialize in the year ahead. While the exact approach may vary across insurers and medical plans, we are seeing buffers of up to and around 2% in the market.

## Call to Action

2020 has been an unprecedented year, with a widespread reported decrease in employer-sponsored medical plan utilization as a result of the COVID-19 pandemic and subsequent global lockdown measures. Consequently, 2021 will observe the record lowest anticipated global Medical Trend Rate ever recorded, despite plan utilization being expected to gradually return to prior pandemic levels during 2021.

Even though 2021 will record the lowest global Medical Trend Rate since this survey was initiated, in 2013, we continue to see medical costs rising significantly above general inflation, with the 2021 global Net Medical Trend Rate expected to be slightly higher relative to 2020 reported projections.

In fact, we expect continued medical plan cost escalation due to population ageing, overall declining health, poor lifestyle habits and increased prevalence of chronic conditions, as these continue to be global phenomena that are further exacerbated by the potential long-term health impacts of the deferred treatments and routine checks, that resulted from the COVID-19 pandemic.

**Employers will continue to face the prospect of added organizational costs and employee productivity losses, unless the controllable factors contributing to these patterns are effectively addressed. This comes in addition to the growing need for a resilient workforce, a need exacerbated by the COVID-19 pandemic.**

The optimization of medical plan design, financial strategy, and delivery mechanisms are a good place for employers to start in addressing some of these challenges around the world. However, once properly executed, these initiatives will have a diminishing incremental improvement on the business.

The structural solution for the long term involves providing robust health care and wellness benefits for all employees and their families, which can actively promote a healthy workforce:

- Providing quality health care treatment when needed
- Facilitating the management of chronic health conditions
- Preventing and reducing the risk of accidents and illnesses
- Helping employees understand their health risks and educating them on steps to improve their health
- Encouraging health-positive behaviors

In order to promote workforce resilience, employers must create a supportive environment and framework for employees' wellbeing, addressing aspects such as financial health, mental health, diversity and inclusion, and career development, among others. This environment should also take into account the changes in workforce patterns, including working virtually and limited interactions with colleagues.

Wellness is a key component of wellbeing, focusing on physical health. Although this report is not targeted to address wellbeing, the summaries on global practices in this report should be useful in understanding wellness, as well as employer-sponsored medical plans and correspondent cost mitigation efforts being undertaken by employers worldwide.

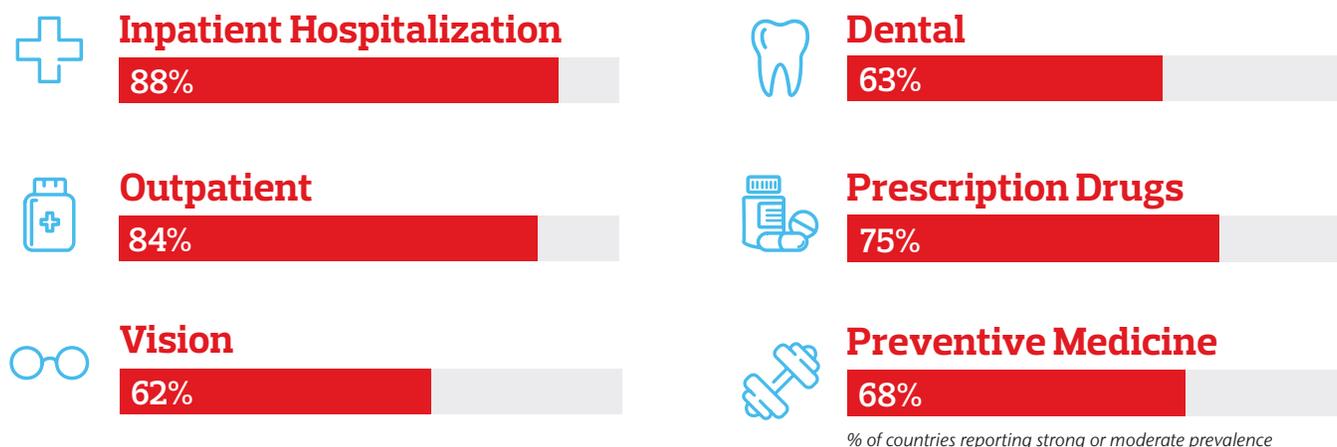
This report also demonstrates that the underlying causes of illness and medical risk factors vary greatly by region, country, company sector, etc. It is therefore important to carefully target employer initiatives to the specific situation in each country and for each medical plan.

# Results Summary

## Medical Plan Features

As in prior years, this year we surveyed our offices to canvass the prevalence of medical programs in each country. A summary of the replies on employer medical benefit provision practices is as follows:

### Exhibit 2: Global Medical Plan Features



## Medical Plan Financing Approaches

The figures below represent the reported prevalence of financing approaches typical within each region.

### Exhibit 3: Prevalence of Financing Approaches

North America		APAC	Europe	LAC	MEA
United States	Canada				
Self Insurance	Insurance	Insurance	Insurance	Insurance	Insurance
Insurance	Mixed	Self Insurance, Mixed	Self Insurance, Mixed	Self Insurance	Self Insurance
Mixed	Self Insurance	Company owned/ Contracted Facilities	Company owned/ Contracted Facilities	Mixed	Mixed

## Medical Plan Employee Cost-Sharing

As employee cost-sharing is often a very important element of a company's medical cost-mitigation strategy, we have investigated the prevalence of employee cost-sharing general practices in each country covered from two perspectives:

- Employees sharing the cost of medical premiums
- Employees sharing in claim outlays, such as deductibles, co-pay and co-insurance

The figures below represent the percentages of countries reporting the most common practices nationwide, in employee cost-sharing in the medical plan premiums and claims, in their respective regions.

### Exhibit 4: Employee Cost-Sharing

	Global	APAC	Europe	LAC	MEA
<b>Share of Medical Premium</b>	<b>70</b>	<b>58</b>	<b>84</b>	<b>92</b>	<b>48</b>
Contributions to employee premium	37	21	35	67	24
Contributions toward spouse premium	70	58	84	92	48
Contributions toward children premium	70	58	84	92	45

*% of countries responding per indicated region*

	Global	APAC	Europe	LAC	MEA
<b>Share of Medical Claims</b>	<b>90</b>	<b>89</b>	<b>84</b>	<b>96</b>	<b>93</b>
Deductibles	44	26	47	67	31
Copays	43	42	37	54	41
Coinsurance	68	74	45	88	69

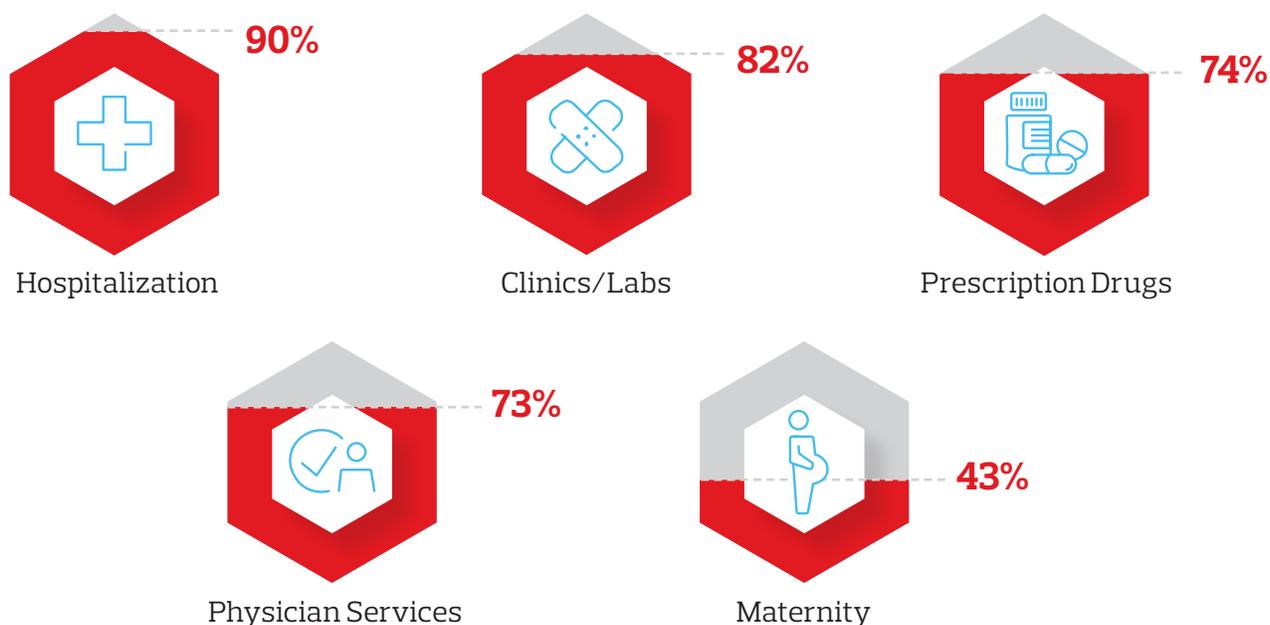
*% of countries responding per indicated region*

## Most Important Elements of Medical Plan Cost

The figures below represent the percentages of responses from countries that reported the indicated cost item as the most important element of medical plan cost in their respective countries.

### Exhibit 5: Top Global Cost Elements

% of countries responding



The figures below represent the percentages of countries reporting the indicated cost element in their respective regions.

### Exhibit 6: Indicated Cost Elements in Respective Regions

North America		APAC		Europe		LAC		MEA	
United States	Canada								
Hospitalization	Prescription Drugs	Hospitalization	95	Hospitalization	87	Hospitalization	96	Clinics/Labs	93
Prescription Drugs	Dental	Clinics/Labs	84	Clinics/Labs	70	Prescription Drugs	92	Hospitalization	90
Physician Services	Biologic Immunomodulators	Prescription Drugs	84	Physician Services	70	Clinics/Labs	83	Prescription Drugs	86
Clinics/Labs	Preventive Care	Physician Services	74	Preventive Care	43	Physician Services	79	Physician Services	72
<b>No Additional</b>	Vision	Maternity	47	Dental	40	Maternity	46	Maternity	55

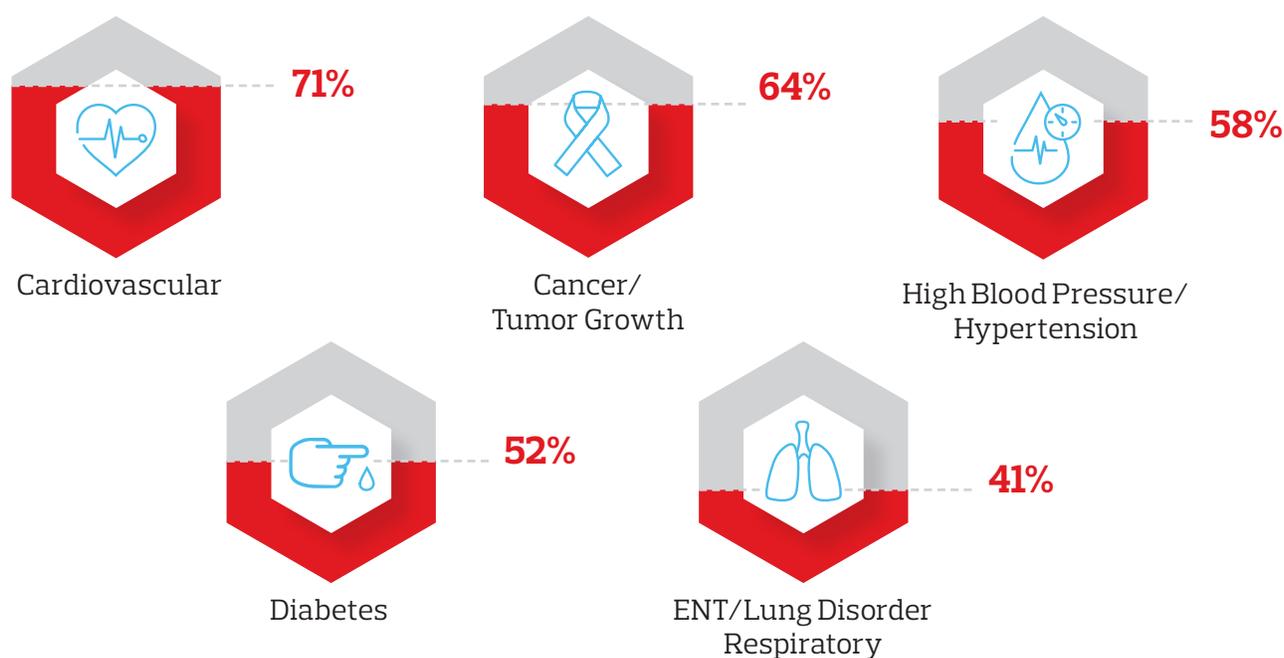
% of countries responding per indicated region

## Key Conditions Driving Adverse Medical Claims Experience

The figures below represent the percentages of responses from countries that reported the indicated medical condition as a contributing factor in adverse claims experience in their respective countries.

### Exhibit 7: Top Global Medical Conditions Driving Medical Plan Costs

% of countries responding



The figures below represent the percentages of countries reporting the indicated leading medical condition in their respective regions.

### Exhibit 8: Leading Medical Conditions Per Region

North America		APAC	Europe	LAC	MEA
United States	Canada				
Musculoskeletal/Back	Musculoskeletal/Back	Cardiovascular 100	Cardiovascular 77	Cancer/Tumor Growth 79	High Blood Pressure/Hypertension 75
Cancer/Tumor Growth	Cardiovascular	Cancer/Tumor Growth 63	Cancer/Tumor Growth 74	Cardiovascular 71	Diabetes 64
Cardiovascular	Mental Health	Gastrointestinal 58	High Blood Pressure/Hypertension 55	Diabetes 67	ENT/Lung Disorder/Respiratory 54
Accident	Diabetes	Musculoskeletal/Back 58	Musculoskeletal/Back 48	High Blood Pressure/Hypertension 63	Gynecological/Maternity 46
ENT/Lung Disorder/Respiratory	Cancer/Tumor Growth	ENT/Lung Disorder/Respiratory 42	Mental Health 45	ENT/Lung Disorder/Respiratory 46	Cardiovascular 43

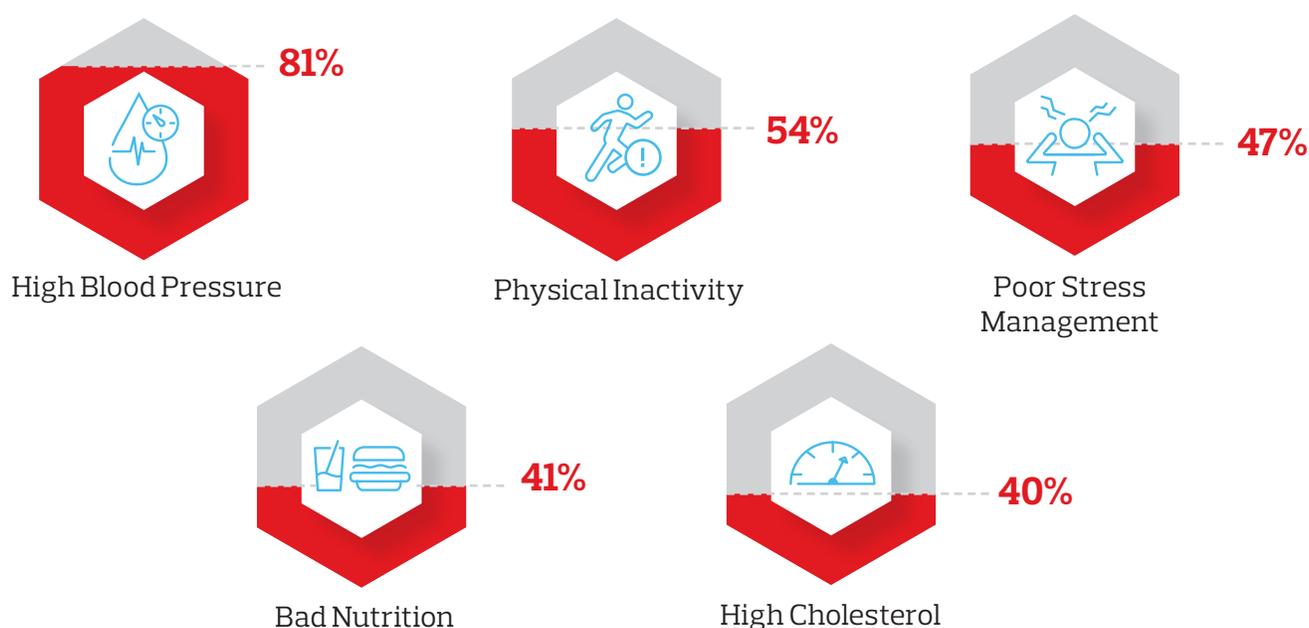
% of countries responding per indicated region

## Risk Factors Driving Supplementary Medical Plan Costs

The figures below represent the percentages of responses from countries that reported the indicated risk as becoming a leading factor in future adverse claims experience in their respective countries.

### Exhibit 9: Top Global Risk Factor

% of countries responding



The figures below represent the percentages of countries reporting the indicated risk factors in their respective regions.

### Exhibit 10: Indicated Risk Factors in Respective Regions

North America		APAC	Europe	LAC	MEA
United States	Canada				
Physical Inactivity	Occupational Risks	High Blood Pressure 74	High Blood Pressure 80	High Blood Pressure 83	High Blood Pressure 89
Obesity	Poor Stress Management	Physical Inactivity 58	Poor Stress Management 70	Bad Nutrition 71	Physical Inactivity 50
Bad Nutrition	Excessive Alcohol or Drug use	Ageing 47	Physical Inactivity 60	High Blood Glucose 58	High Blood Glucose 43
Ageing	Insufficient Sleep	Bad Nutrition 42	Smoking 47	Obesity 58	High Cholesterol 43
Lack of Health Screening	Ageing	High Blood Glucose 42	Obesity 40	High Cholesterol 50	Lack of Health Screening 39

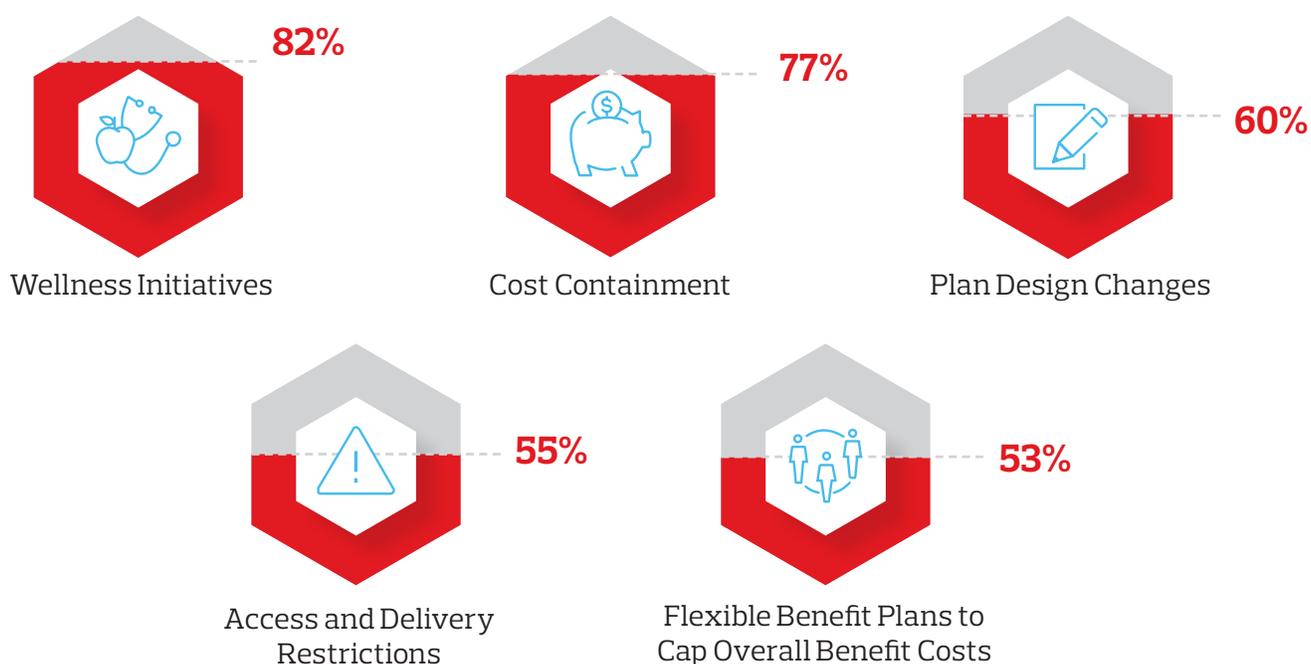
% of countries responding per indicated region

## Mitigation Initiatives to Control Medical Plan Cost Escalation

The figures below represent the percentages of responses from countries that reported methods that aim to best mitigate the increase in costs of a medical plan.

### Exhibit 11: Top Global Mitigation Methods

% of countries responding



The figures below represent the percentages of countries reporting the risk mitigation methods in their respective regions.

### Exhibit 12: Risk Mitigation Methods in Respective Regions

North America		APAC		Europe		LAC		MEA	
United States	Canada								
Cost Containment	Wellness Initiatives	Wellness Initiatives	84	Wellness Initiatives	90	Wellness Initiatives	88	Cost Containment	86
Changes in Funding	Providers Network	Cost Containment	74	Plan Design Changes	70	Cost Containment	83	Access and Delivery Restrictions	79
Plan Design Changes	Changes in Funding	Plan Design Changes	63	Cost Containment	67	Plan Design Changes	71	Wellness Initiatives	66
Access and Delivery Restrictions	<b>No Additional</b>	Flexible Benefit Plans to Cap Overall Benefit Costs	47	Flexible Benefit Plans to Cap Overall Benefit Costs	60	Flexible Benefit Plans to Cap Overall Benefit Costs	54	Flexible Benefit Plans to Cap Overall Benefit Costs	52
Wellness Initiatives	<b>No Additional</b>	Changes in Funding	47	Access and Delivery Restrictions	43	Access and Delivery Restrictions	50	Plan Design Changes	38

% of countries responding per indicated region

## Average Medical Trend Rate Tables

**Exhibit 13: Region (Avg %)**

Global & Regional Averages	2020		
	Annual General Inflation Rate	Annual Medical Trend Rates	
		Gross	Net
<b>Global</b>	<b>3.1</b>	<b>8.0</b>	<b>4.9</b>
North America	2.6	6.4	3.8
APAC	2.8	8.7	5.9
Europe	2.1	5.7	3.6
LAC	5.6	13.1	7.5
MEA	5.6	12.2	6.6

2021		
Annual General Inflation Rate	Annual Medical Trend Rates	
	Gross	Net
<b>2.2</b>	<b>7.2</b>	<b>5.0</b>
2.1	7.0	4.9
2.5	8.0	5.5
1.6	5.5	3.9
2.4	8.8	6.4
4.9	12.0	7.1

**Exhibit 14: Region/Country (Avg %)**

Regional & Country Averages	2020		
	Annual General Inflation Rate	Annual Medical Trend Rates	
		Gross	Net
<b>North America</b>	<b>2.6</b>	<b>6.4</b>	<b>3.8</b>
Canada	1.9	6.0	4.1
United States	2.7	6.5	3.8

2021		
Annual General Inflation Rate	Annual Medical Trend Rates	
	Gross	Net
<b>2.1</b>	<b>7.0</b>	<b>4.9</b>
1.3	7.0	5.7
2.2	7.0	4.8

Asia-Pacific	2020		
	Annual General Inflation Rate	Annual Medical Trend Rates	
		Gross	Net
<b>2.8</b>	<b>8.7</b>	<b>5.9</b>	
Australia	2.3	3.5	1.2
Bangladesh	5.4	7.0	1.6
China	2.5	7.5	5.0
Hong Kong	2.5	8.1	5.6
India	4.2	8.5	4.3
Indonesia	3.6	13.0	9.4
Japan	1.5	1.5	0.0
Kazakhstan	5.0	11.2	6.2
Malaysia	2.6	14.0	11.4

2021		
Annual General Inflation Rate	Annual Medical Trend Rates	
	Gross	Net
<b>2.5</b>	<b>8.0</b>	<b>5.5</b>
1.8	2.5	0.7
5.6	7.7	2.1
2.6	7.0	4.4
2.5	5.3	2.8
3.6	9.0	5.4
2.9	13.0	10.1
0.4	0.0	(0.4)
6.8	15.0	8.2
2.8	14.0	11.2

**Exhibit 14: Region/Country (Avg %)**

Regional & Country Averages	2020		
	Annual General Inflation Rate	Annual Medical Trend Rates	
		Gross	Net
<b>APAC (continued)</b>			
Mongolia	7.6	9.5	1.9
New Zealand	1.9	7.0	5.1
Pakistan	7.0	20.0	13.0
Papua New Guinea	4.7	7.0	2.3
Philippines	3.3	9.2	5.9
Singapore	1.4	10.0	8.6
South Korea	1.6	8.0	6.4
Taiwan	1.2	8.0	6.8
Thailand	1.3	13.9	12.6
Vietnam	3.3	11.0	7.7

2021		
Annual General Inflation Rate	Annual Medical Trend Rates	
	Gross	Net
6.5	8.0	1.5
1.4	7.5	6.1
8.0	20.3	12.3
5.9	7.0	1.1
2.9	8.0	5.1
0.5	7.0	6.5
0.4	7.5	7.1
1.5	8.0	6.5
0.6	6.6	6.0
3.9	8.7	4.8

<b>Europe</b>	<b>2.1</b>	<b>5.7</b>	<b>3.6</b>
Austria	2.0	3.0	1.0
Belgium	1.6	4.0	2.4
Bulgaria	2.3	10.9	8.6
Croatia	1.6	2.0	0.4
Cyprus	1.6	1.6	0.0
Czech Republic	2.0	5.0	3.0
Denmark	1.3	2.5	1.2
Estonia	n/a	n/a	n/a
Finland	1.5	3.5	2.0
France	1.5	4.0	2.5
Germany	1.7	5.5	3.8
Greece	1.4	5.0	3.6

<b>1.6</b>	<b>5.5</b>	<b>3.9</b>
1.7	3.5	1.8
1.1	2.0	0.9
1.9	11.5	9.6
1.2	1.0	(0.2)
1.0	5.0	4.0
2.0	5.0	3.0
1.2	2.5	1.3
2.0	10.0	8.0
1.7	3.5	1.8
0.7	4.0	3.3
1.2	6.0	4.8
1.0	4.0	3.0

**Exhibit 14: Region/Country (Avg %)**

Regional & Country Averages	2020		
	Annual General Inflation Rate	Annual Medical Trend Rates	
		Gross	Net
<b>Europe (continued)</b>			
Hungary	3.1	11.0	7.9
Ireland	1.5	5.5	4.0
Italy	1.2	4.0	2.8
Latvia	2.4	12.0	9.6
Lithuania	2.3	13.0	10.7
Luxembourg	1.9	1.9	0.0
Norway	1.7	5.0	3.3
Poland	1.9	9.0	7.1
Portugal	1.7	3.5	1.8
Romania	3.0	10.0	7.0
Russia	4.5	9.5	5.0
Serbia	2.5	12.0	9.5
Slovakia	2.2	n/a	n/a
Slovenia	1.6	1.9	0.3
Spain	1.6	5.3	3.7
Sweden	1.7	1.7	0.0
Switzerland	0.9	4.0	3.1
The Netherlands	1.6	4.6	3.0
Turkey	14.1	25.0	10.9
Ukraine	5.9	15.0	9.1
United Kingdom	2.0	6.5	4.5

2021		
Annual General Inflation Rate	Annual Medical Trend Rates	
	Gross	Net
3.2	15.0	11.8
1.7	6.0	4.3
0.7	4.0	3.3
3.0	2.8	(0.2)
1.7	14.0	12.3
1.5	1.9	0.4
2.2	6.0	3.8
2.6	8.6	6.0
1.4	3.0	1.6
1.5	8.5	7.0
3.0	10.0	7.0
1.9	12.0	10.1
1.4	5.0	3.6
1.4	1.0	(0.4)
0.7	6.6	5.9
1.5	2.0	0.5
0.6	4.0	3.4
1.2	4.0	2.8
12.0	19.0	7.0
7.2	15.0	7.8
1.5	5.5	4.0

LAC	5.6	13.1	7.5
Argentina	23.2	30.0	6.8
Bahamas	2.4	8.9	6.5
Barbados	1.9	10.0	8.1
Bermuda	1.3	7.8	6.5

2.4	8.8	6.4
n/a	n/a	n/a
2.8	10.0	7.2
1.6	10.0	8.4
0.4	8.1	7.7

**Exhibit 14: Region/Country (Avg %)**

Regional & Country Averages	2020		
	Annual General Inflation Rate	Annual Medical Trend Rates	
		Gross	Net
<b>LAC (continued)</b>			
Bolivia	3.6	5.0	1.4
Brazil	4.1	15.0	10.9
Chile	3.0	7.0	4.0
Colombia	3.2	5.8	2.6
Costa Rica	3.1	14.0	10.9
Dominican Republic	4.2	6.0	1.8
Ecuador	1.2	12.0	10.8
El Salvador	1.3	10.0	8.7
Grenada	1.9	1.9	0.0
Guatemala	3.7	10.0	6.3
Honduras	4.5	14.0	9.5
Jamaica	4.9	8.0	3.1
Mexico	3.1	12.0	8.9
Nicaragua	3.9	15.0	11.1
Panama	2.0	10.0	8.0
Peru	2.0	8.5	6.5
Puerto Rico	1.3	2.0	0.7
Trinidad and Tobago	2.2	10.0	7.8
Uruguay	7.2	8.0	0.8
Venezuela	10000000.0	10500000.0	500000.0

2021		
Annual General Inflation Rate	Annual Medical Trend Rates	
	Gross	Net
4.4	6.0	1.6
3.3	10.6	7.3
2.9	6.5	3.6
3.2	5.5	2.3
2.3	12.0	9.7
3.6	6.0	2.4
1.2	12.0	10.8
0.6	13.0	12.4
1.2	0.0	(1.2)
1.8	13.0	11.2
3.0	14.0	11.0
5.2	12.0	6.8
2.8	15.0	12.2
4.0	12.0	8.0
0.5	12.0	11.5
1.8	8.5	6.7
0.6	2.3	1.7
1.3	15.0	13.7
7.9	8.8	0.9
15000.0	n/a	n/a

MEA	5.6	12.2	6.6
Algeria	n/a	n/a	n/a
Angola	11.1	30.0	18.9
Bahrain	3.2	10.0	6.8
Botswana	3.8	10.0	6.2

4.9	12.0	7.1
3.7	n/a	n/a
22.3	25.0	2.7
2.5	n/a	n/a
2.6	8.0	5.4

**Exhibit 14: Region/Country (Avg %)**

Regional & Country Averages	2020		
	Annual General Inflation Rate	Annual Medical Trend Rates	
		Gross	Net
<b>MEA (continued)</b>			
Democratic Republic of the Congo	6.7	10.0	3.3
Egypt	12.3	20.0	7.7
Ethiopia	8.0	8.0	0.0
Ghana	8.4	20.0	11.6
Israel	1.7	7.5	5.8
Ivory Coast	2.0	15.0	13.0
Jordan	2.5	10.5	8.0
Kenya	5.0	10.0	5.0
Kuwait	2.7	8.8	6.1
Lebanon	2.3	15.0	12.7
Malawi	8.2	20.0	11.8
Morocco	2.0	n/a	n/a
Mozambique	5.5	10.5	5.0
Nigeria	11.7	16.4	4.7
Qatar	3.7	10.0	6.3
Saudi Arabia	2.2	9.5	7.3
Senegal	1.5	2.0	0.5
Sierra Leone	13.0	20.0	7.0
South Africa	5.4	10.0	4.6
Sultanate of Oman	1.8	5.0	3.2
Tanzania	4.5	10.5	6.0
Tunisia	5.6	10.0	4.4
Uganda	4.4	17.0	12.6
United Arab Emirates	2.1	10.0	7.9
Zambia	12.0	14.0	2.0
Zimbabwe	9.4	n/a	n/a

2021		
Annual General Inflation Rate	Annual Medical Trend Rates	
	Gross	Net
10.5	11.0	0.5
8.2	18.0	9.8
9.1	10.0	0.9
8.5	15.0	6.5
0.5	8.0	7.5
1.4	14.0	12.6
1.6	7.5	5.9
5.0	10.0	5.0
2.3	8.5	6.2
n/a	n/a	n/a
10.7	15.0	4.3
1.3	n/a	n/a
5.7	10.5	4.8
12.4	17.6	5.2
2.4	7.5	5.1
2.0	12.5	10.5
1.9	2.0	0.1
15.3	20.0	4.7
3.2	8.5	5.3
3.4	3.0	(0.4)
4.3	10.5	6.2
4.9	7.0	2.1
4.8	18.0	13.2
1.5	9.5	8.0
12.1	15.0	2.9
3.7	n/a	n/a

## Notes:

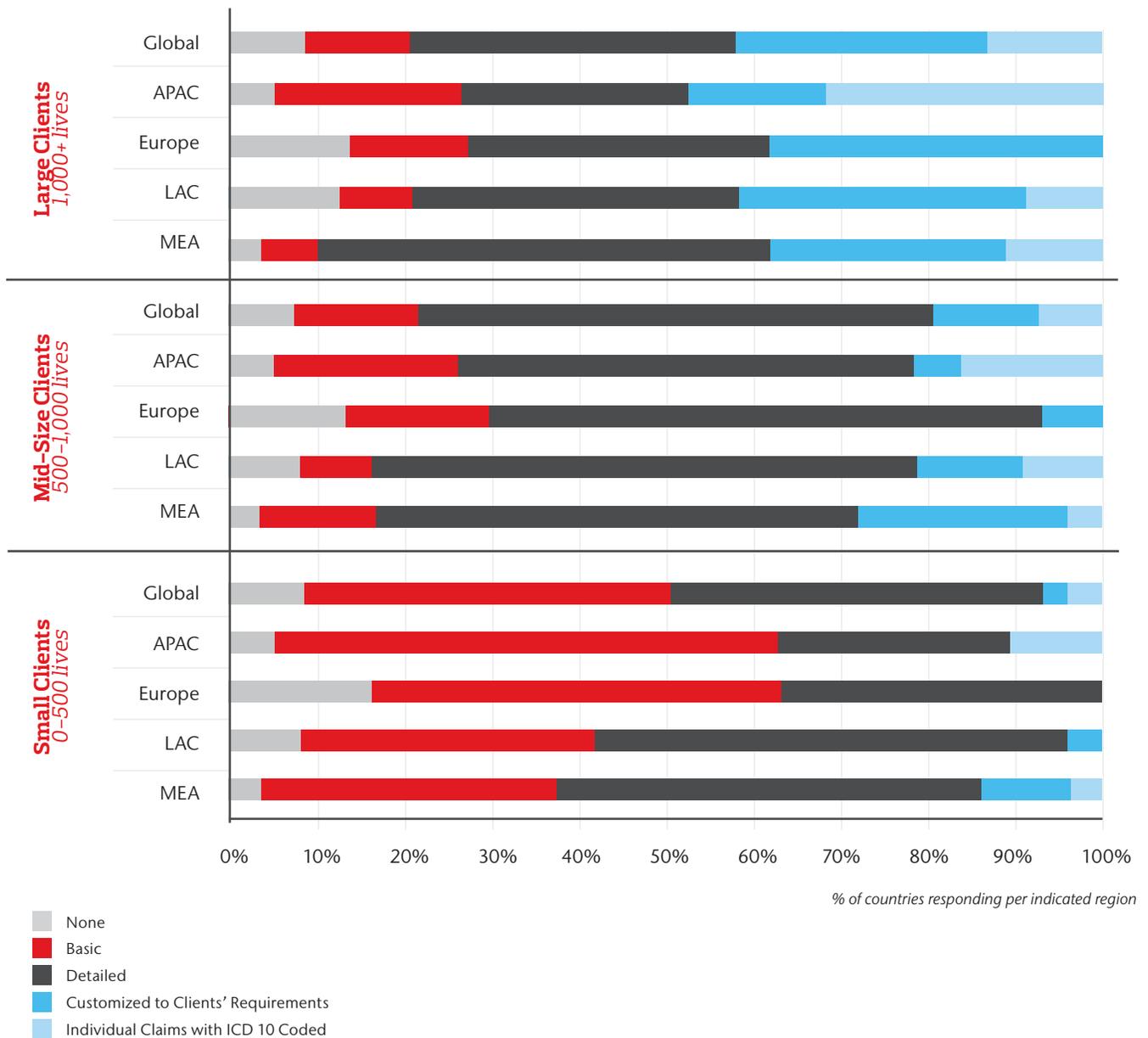
- “Net” indicates Medical Trend Rates net of domestic general inflation rates.
- The 2021 medical trend for the United States represents expectation by the Aon Health Analytics practice for medical and prescription drug cost increases prior to any plan, program, or carrier changes for cost containment. Trends are developed through examination from internal and external sources, including government and academic resources, industry participants (carriers and providers), and internal data, for example, Aon’s Health Value Initiative database.
- For Argentina, Lebanon, Venezuela and Zimbabwe we are not reporting 2021 Medical Trend Rates, due to a prevailing hyperinflation environment. We have also excluded those countries from regional and global averages in the 2021 figures.
- Algeria and Morocco were included on the tables above but with no Medical Trend Rate being reported. For Bahrain, response to the survey was not received at the time of publication of this report.
- The 2020 figures relate to the previously reported anticipated Medical Trend Rates and general inflation projections.

# Other Survey Results

## Levels of Claims Information Available from Carriers

A deep understanding of the specific factors driving a company’s medical plan cost is fundamental for the development of a sound mitigation strategy. The figures below represent the prevalence and level of claims information available by client size reported by countries in their respective regions.

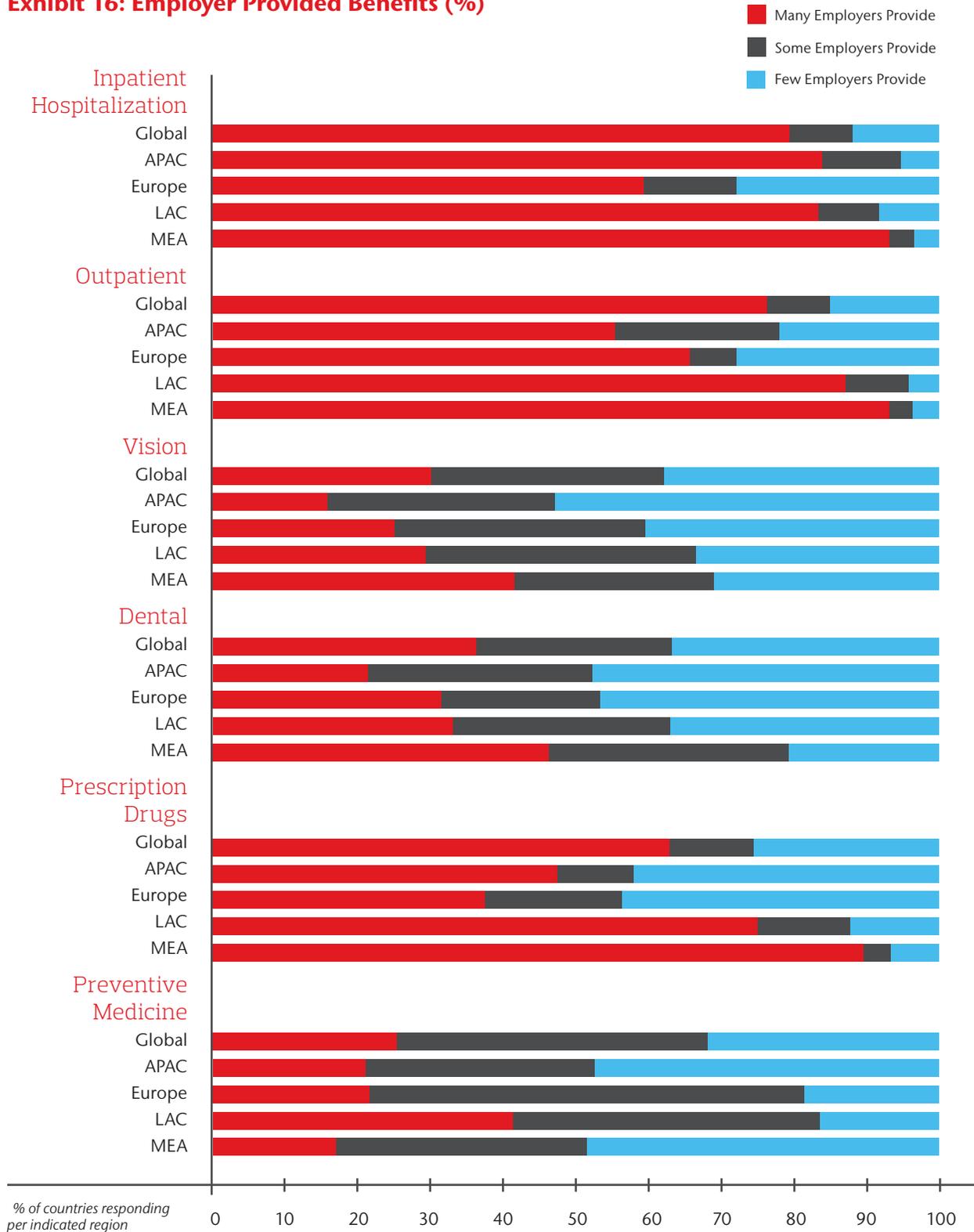
**Exhibit 15: Level of Claims Information Available**



# Prevalence of Medical Plan Features and Derivative Benefits

Countries reported typical medical benefit provision practices. The main results are summarized in the following tables:

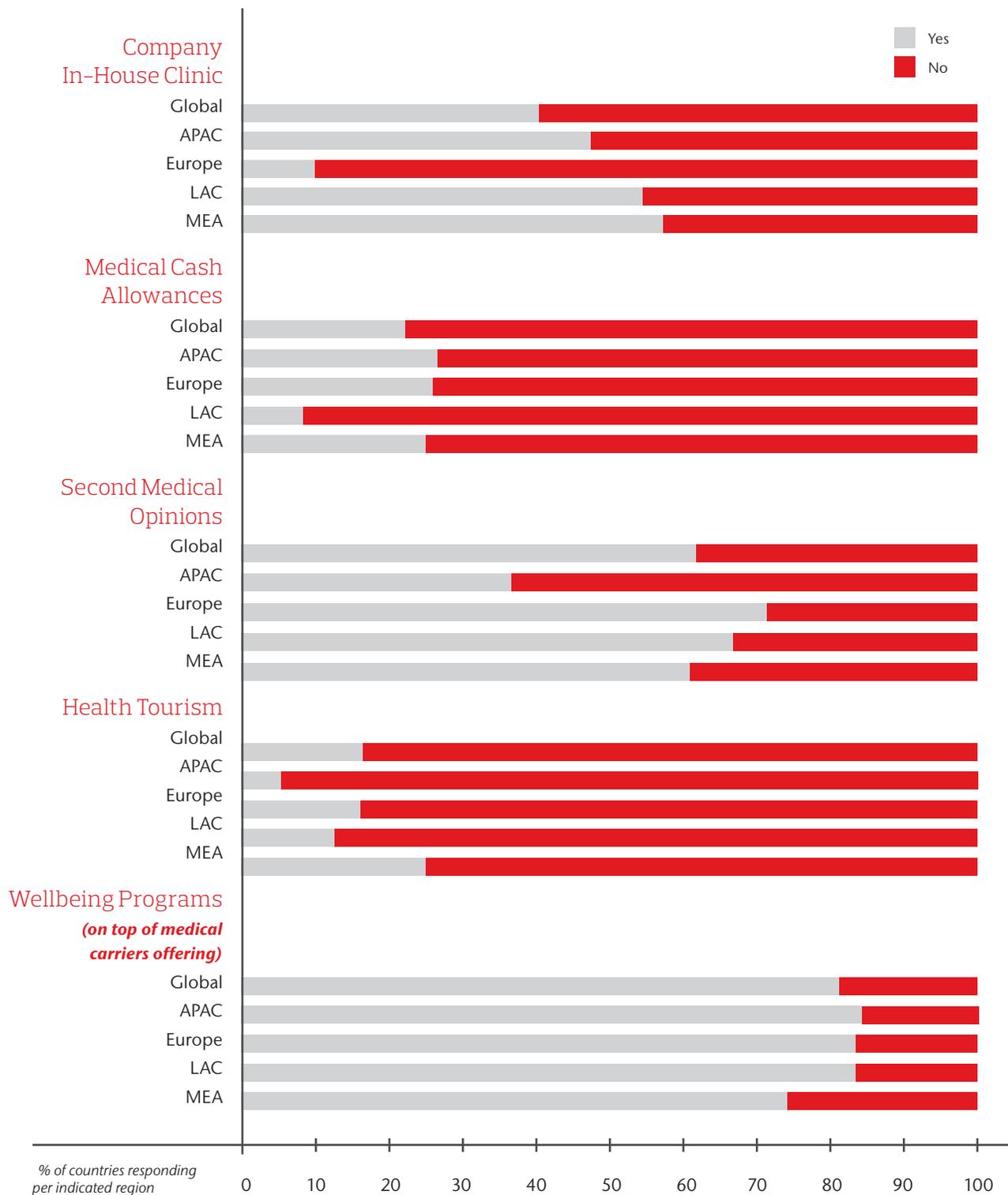
**Exhibit 16: Employer Provided Benefits (%)**



# Alternative/Innovative Delivery Mechanisms

Countries reported prevalence of the following delivery mechanisms supporting medical benefit plans:

**Exhibit 17: Delivery Mechanisms Supporting Medical Benefit Plans (%)**



## Regional Summary of Employee Cost-Sharing Practices Impacting Premiums

The table below shows the prevalence of most common practices in terms of required employee contributions under the typical medical plan in each country, in regard to premiums assessed to cover the employee, spouse and/or dependents.

### Exhibit 18: Countries Reporting Most Common Practices

	Global	APAC	Europe	LAC	MEA
<b>EE only</b>	0	0	0	0	0
<b>Spouse only</b>	1	0	0	0	3
<b>Children only</b>	0	0	0	0	0
<b>EE + Spouse only</b>	0	0	0	0	0
<b>EE + Children only</b>	0	0	0	0	0
<b>EE + Spouse + Children</b>	37	21	35	67	24
<b>Spouse + Children only</b>	32	37	48	25	21
<b>Plan requires some form of employee contribution toward premiums</b>	70	58	84	92	48

*% of countries responding per indicated region*

## Regional Summary of Employee Cost-Sharing Practices Impacting Claim Outlays *(Please refer to Glossary of Terms for definition of indicated element.)*

The table below shows the most common practices per country, in regard to financial contributions required of employees, toward meeting the costs of claims incurred.

### Exhibit 19: Countries Reporting Indicated Plan Design Element

	Global	APAC	Europe	LAC	MEA
<b>Deductible only</b>	6	0	19	0	0
<b>Copay only</b>	4	0	6	0	7
<b>Coinsurance only</b>	15	21	16	4	21
<b>Deductible + Copay only</b>	2	0	6	0	0
<b>Deductible + Coinsurance only</b>	15	11	6	29	14
<b>Copay + Coinsurance only</b>	16	26	10	17	17
<b>Deductible + Copay + Coinsurance</b>	21	16	13	38	17
<b>Plan requires some form of employee contribution toward claims</b>	90	89	84	96	93

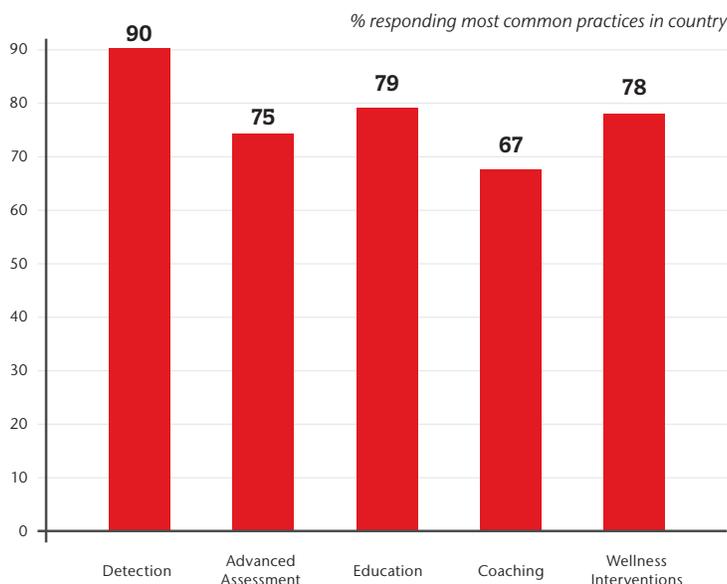
*\*Includes respondents that reported employee contributions toward medical expenses above allowable limits.*

*% of countries responding per indicated region*

# Global Wellness and Health Promotion Initiatives

The figures below represent the percentages of responses from countries that reported the indicated wellness program, as commonly provided among the indicated employer groups in their respective countries.

## Exhibit 20: Wellness Programs Reported as Commonly Provided



### Detection

Vision Screening	67
Hearing Screening	49
Mammograms	56
Physical Check-ups	87

*% of countries responding*

### Advanced Assessment

Advanced Check-ups	37
Heart Health	55
Nutrition	46
Substance Use	26
Level of Fitness	40

*% of countries responding*

### Education

Communication Materials on Wellness	75
Wellness Kits	64
Informational Web Services	66
Fitness Education	57

*% of countries responding*

### Coaching

Health Specialist	45
Health Coaching Management System	32
Incentive Programs	57

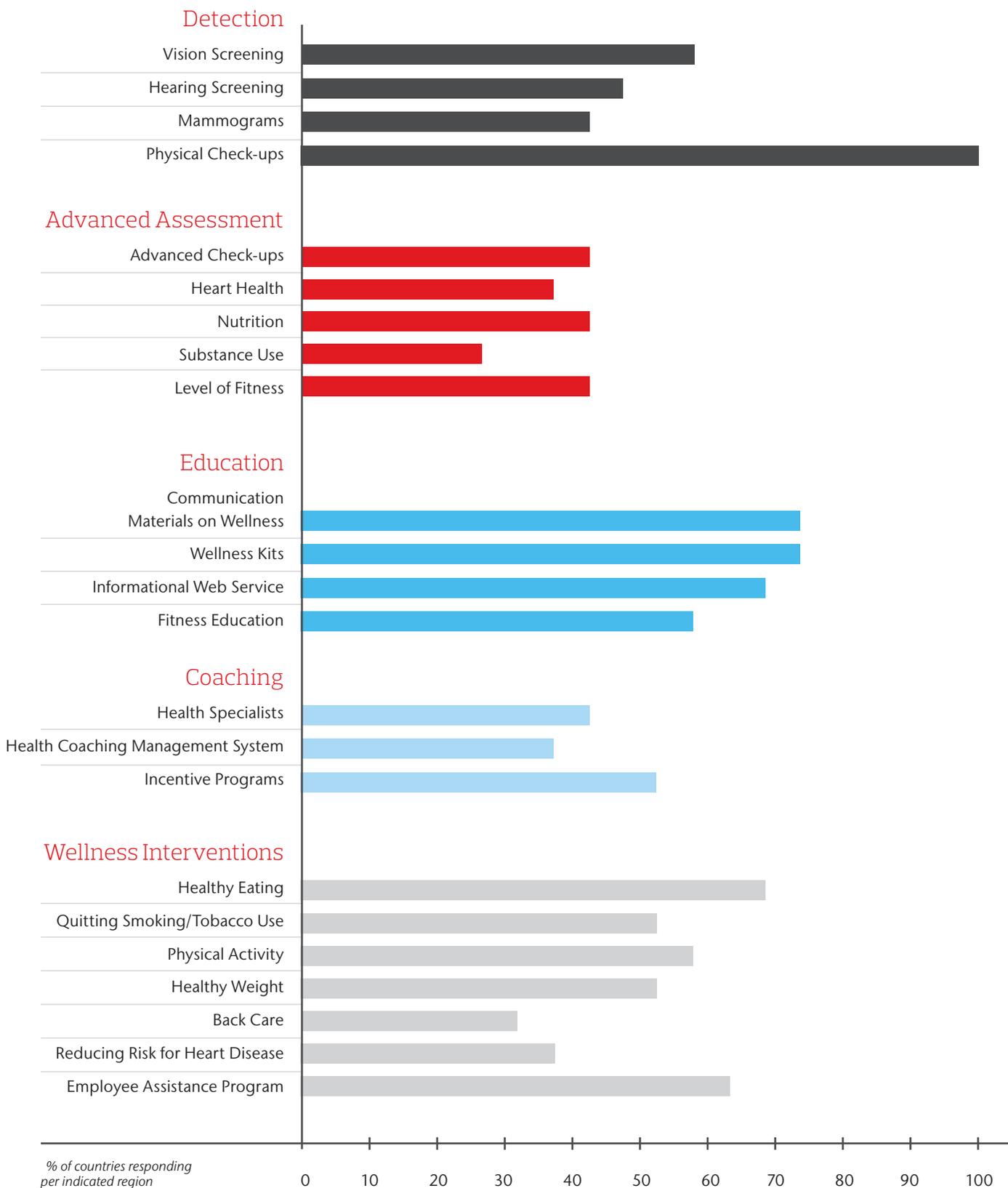
*% of countries responding*

### Wellness Interventions

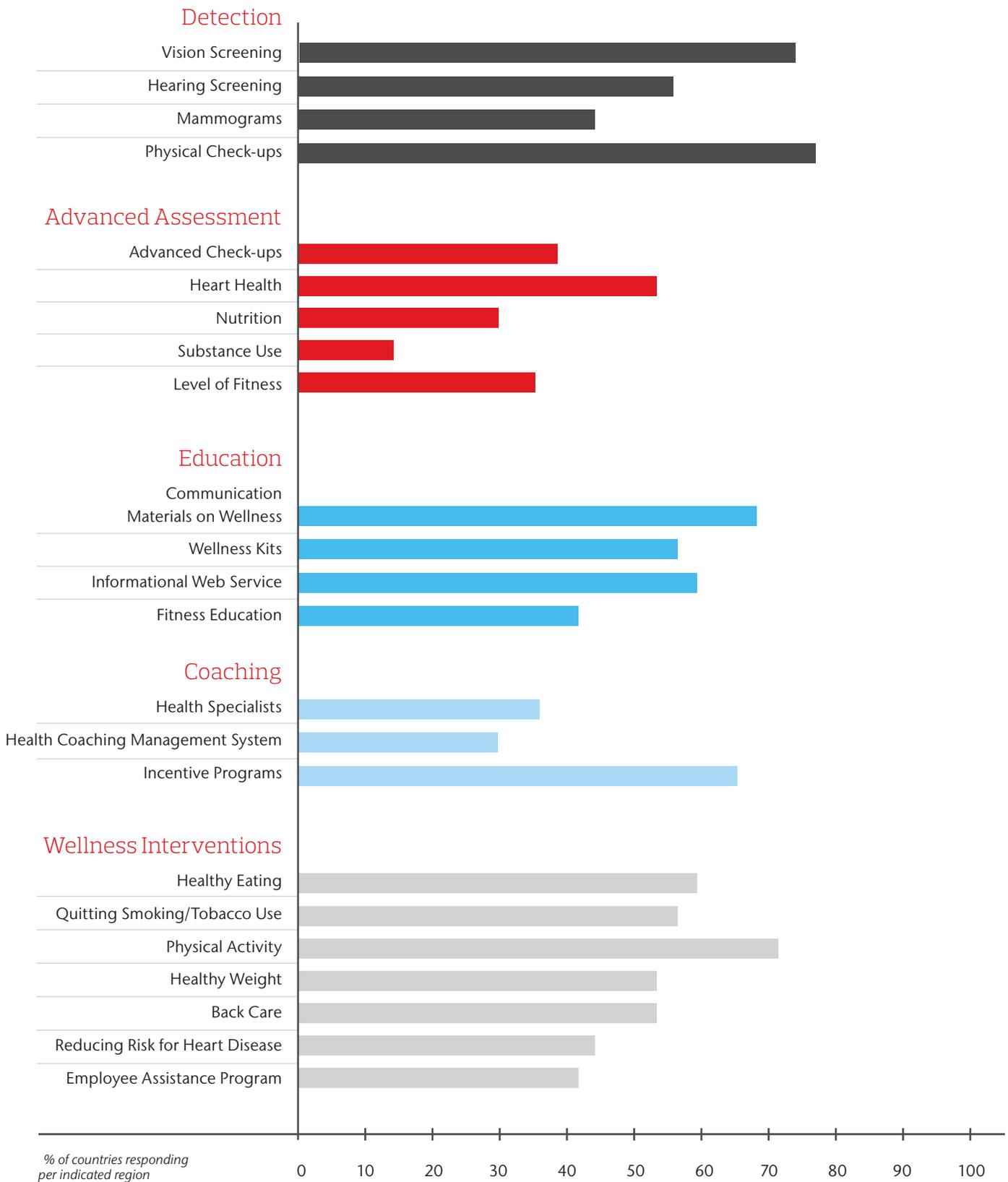
Healthy Eating	65
Quitting Smoking/Tobacco Use	57
Physical Activity	67
Healthy Weight	58
Back Care	46
Reducing Risk for Heart Disease	50
Employee Assistance Program	51

*% of countries responding*

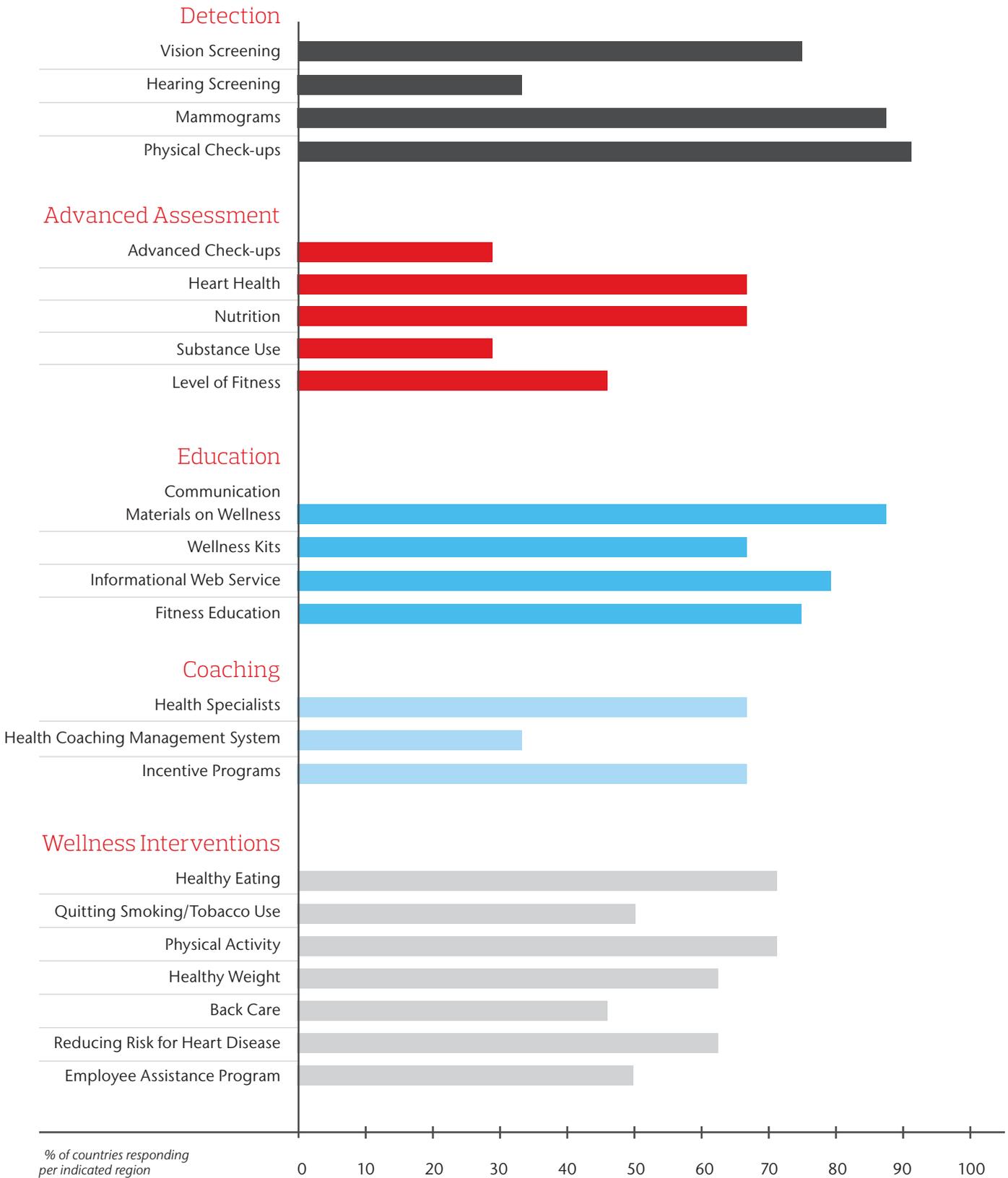
### Exhibit 21: Asia-Pacific



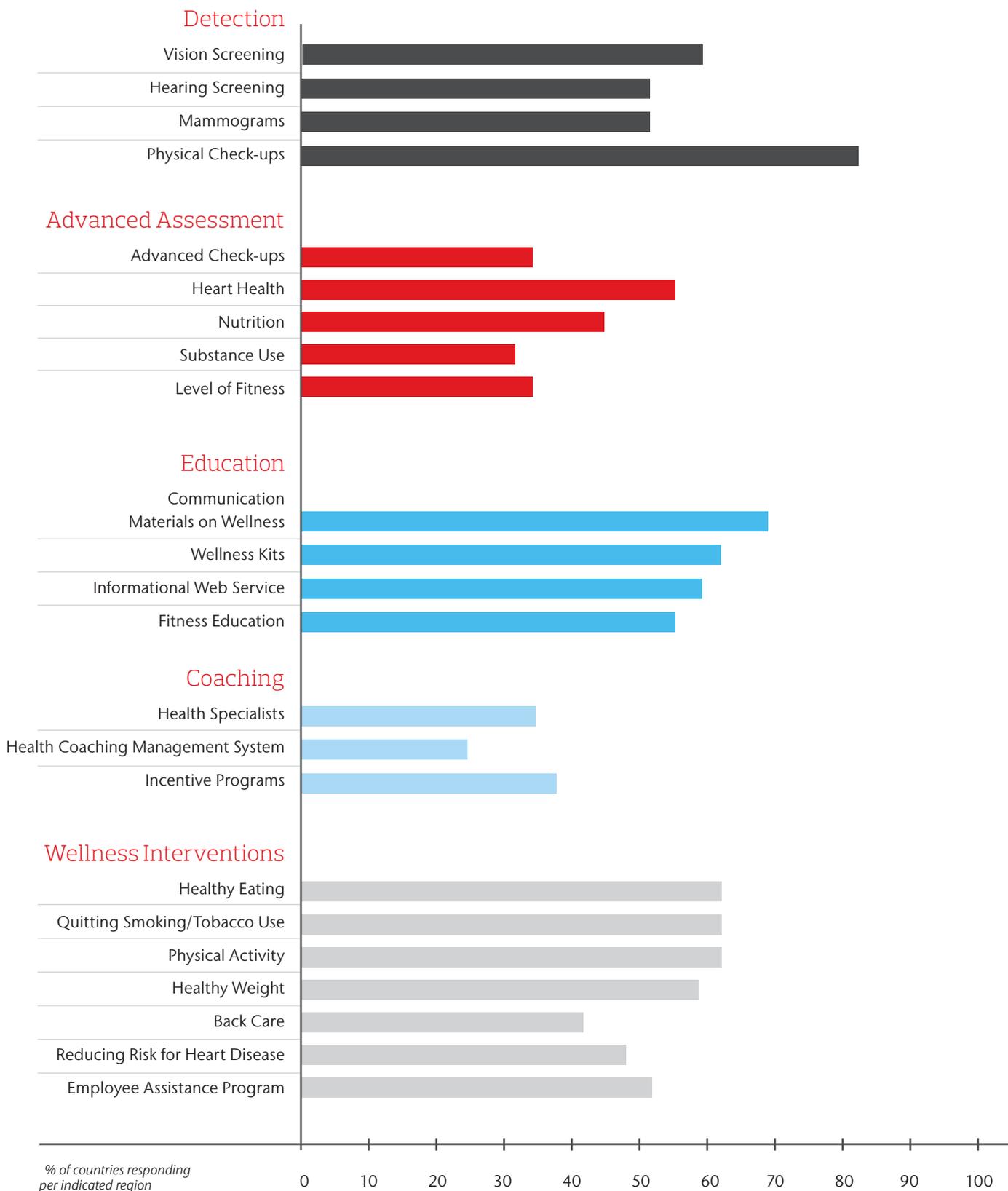
## Exhibit 22: Europe



### Exhibit 23: Latin America & Caribbean

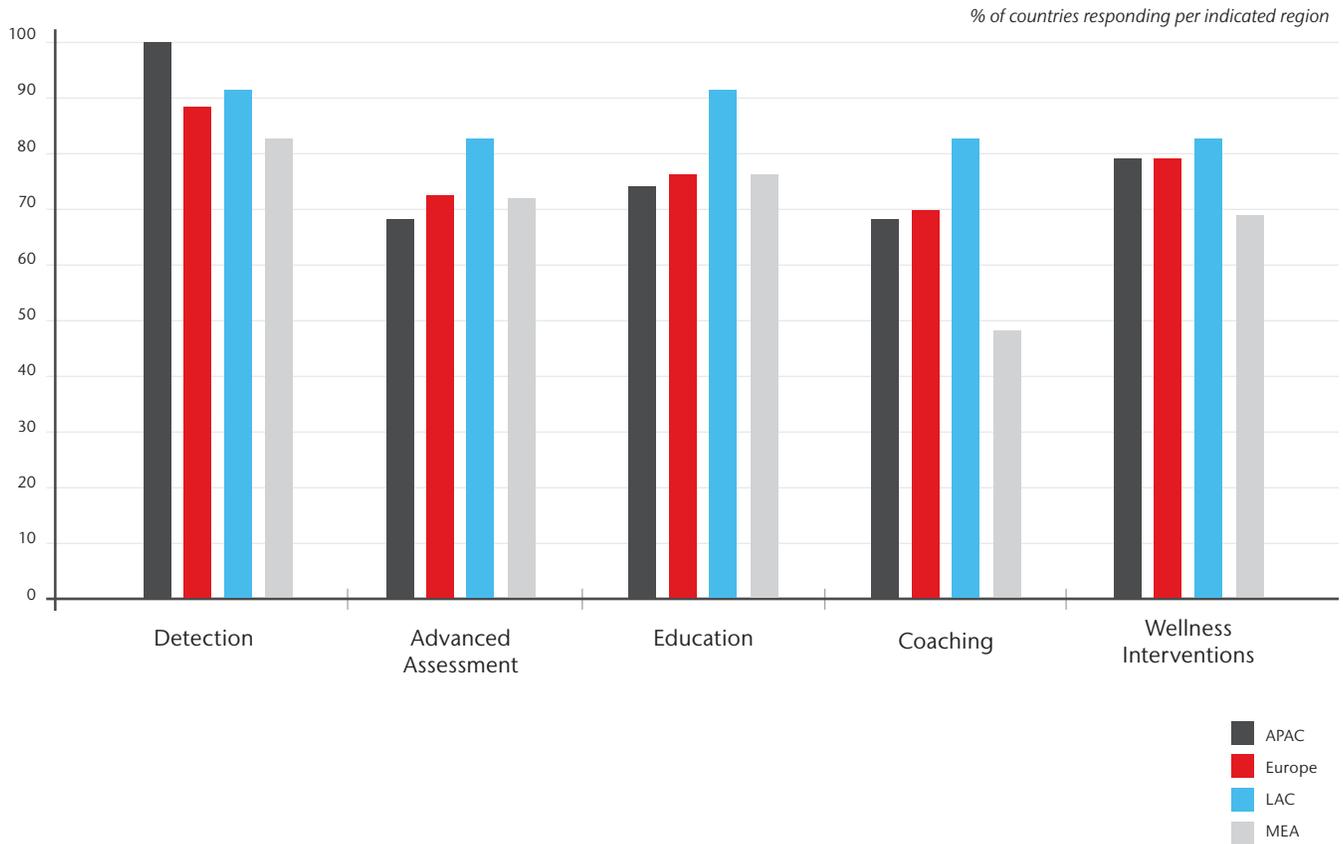


### Exhibit 24: Middle East & Africa



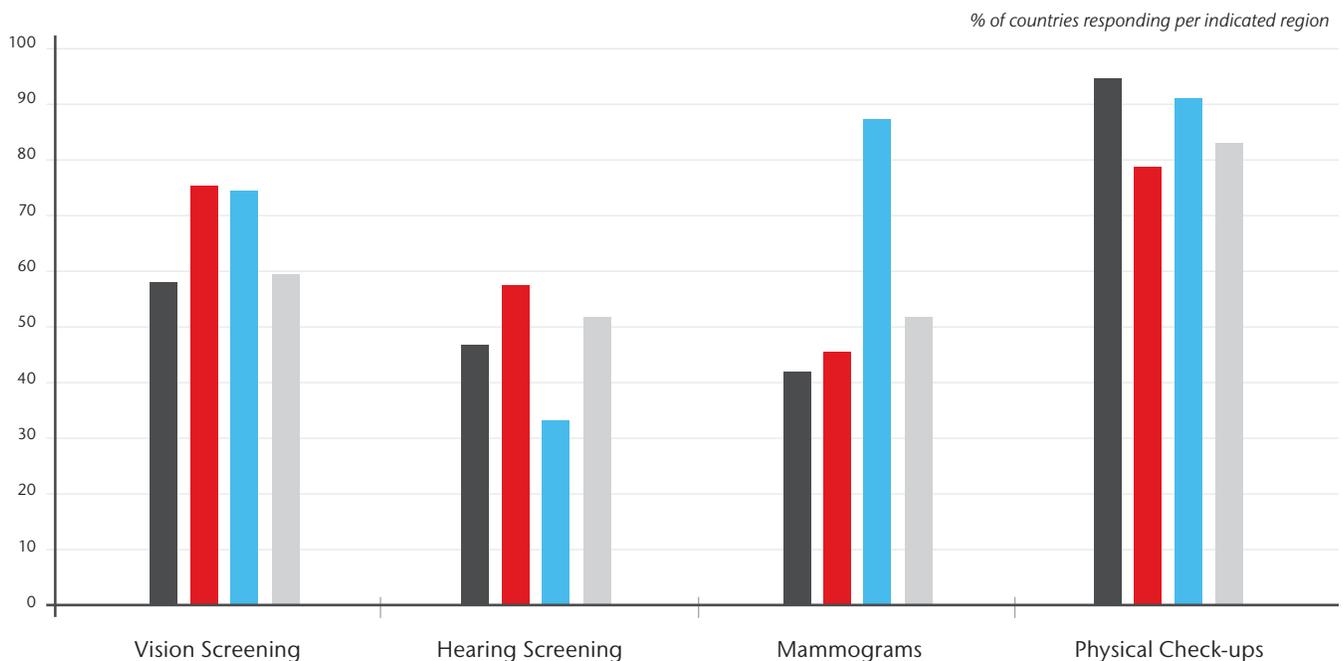
### Exhibit 25: Wellness Programs Commonly Provided by Region

Reported as Commonly Provided by Geographical Regions



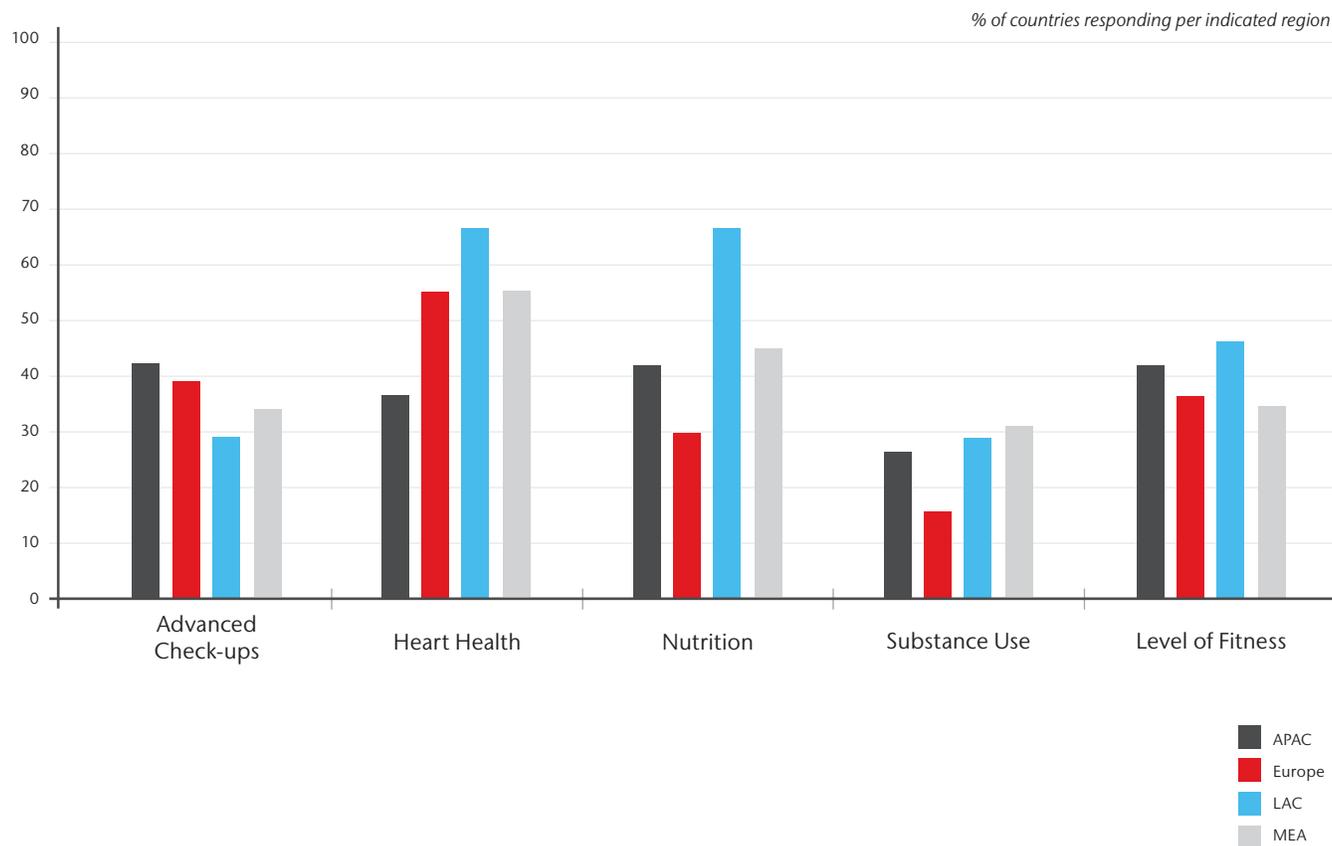
### Exhibit 26: Detection Programs Commonly Provided by Region

Reported as Commonly Provided by Geographical Region



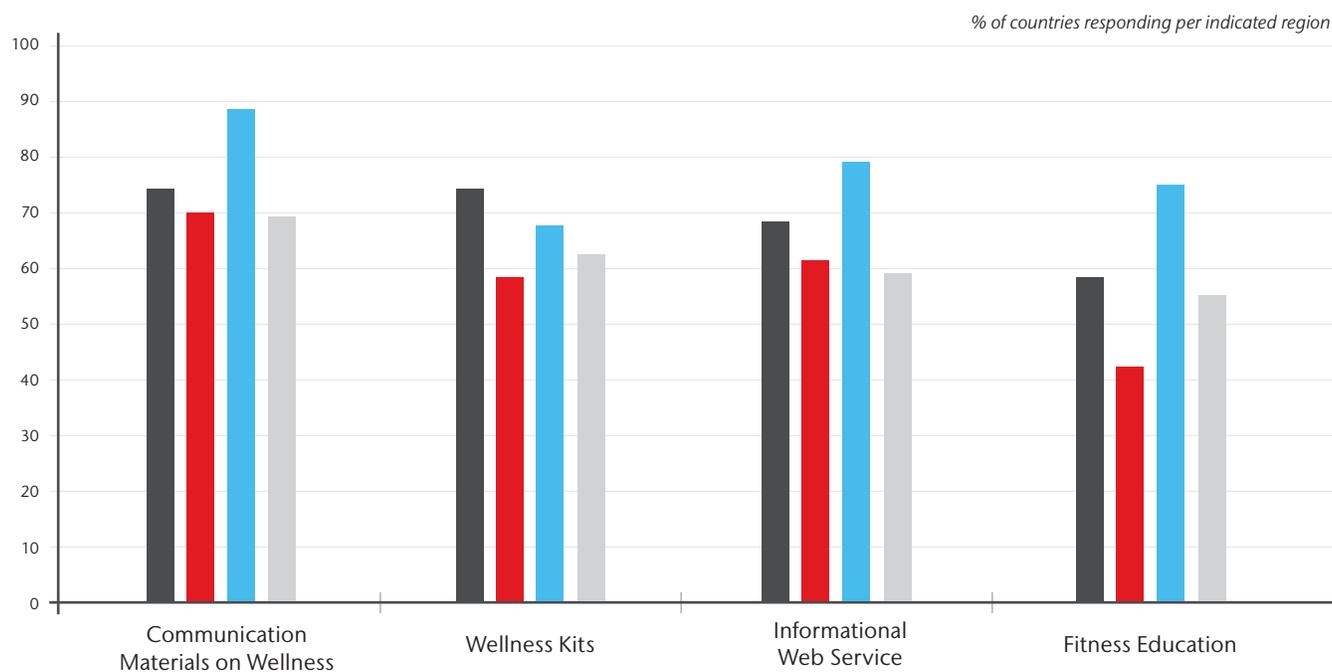
### Exhibit 27: Advanced Assessment Programs Commonly Provided by Region

Reported as Commonly Provided by Geographical Region



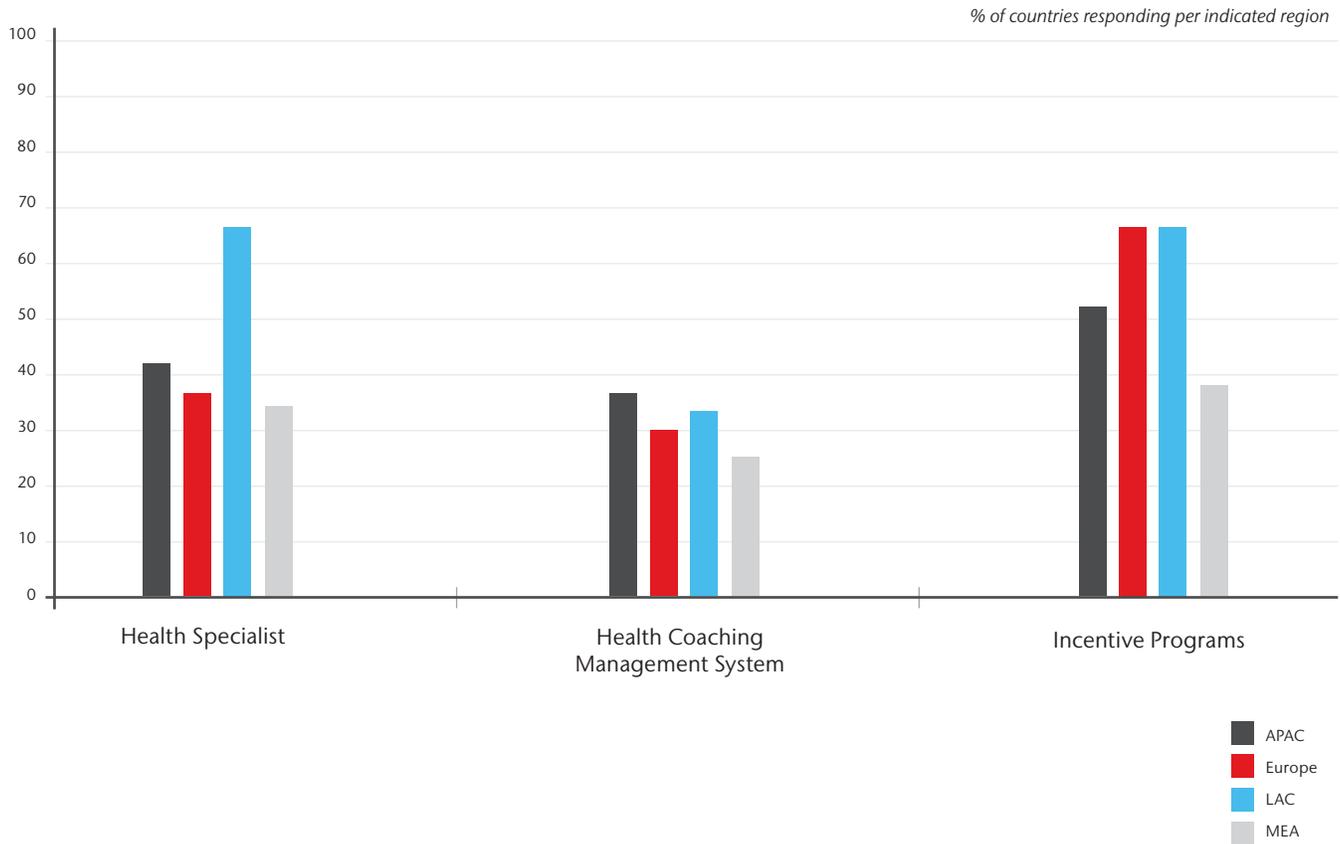
### Exhibit 28: Education Programs Commonly Provided by Region

Reported as Commonly Provided by Geographical Region



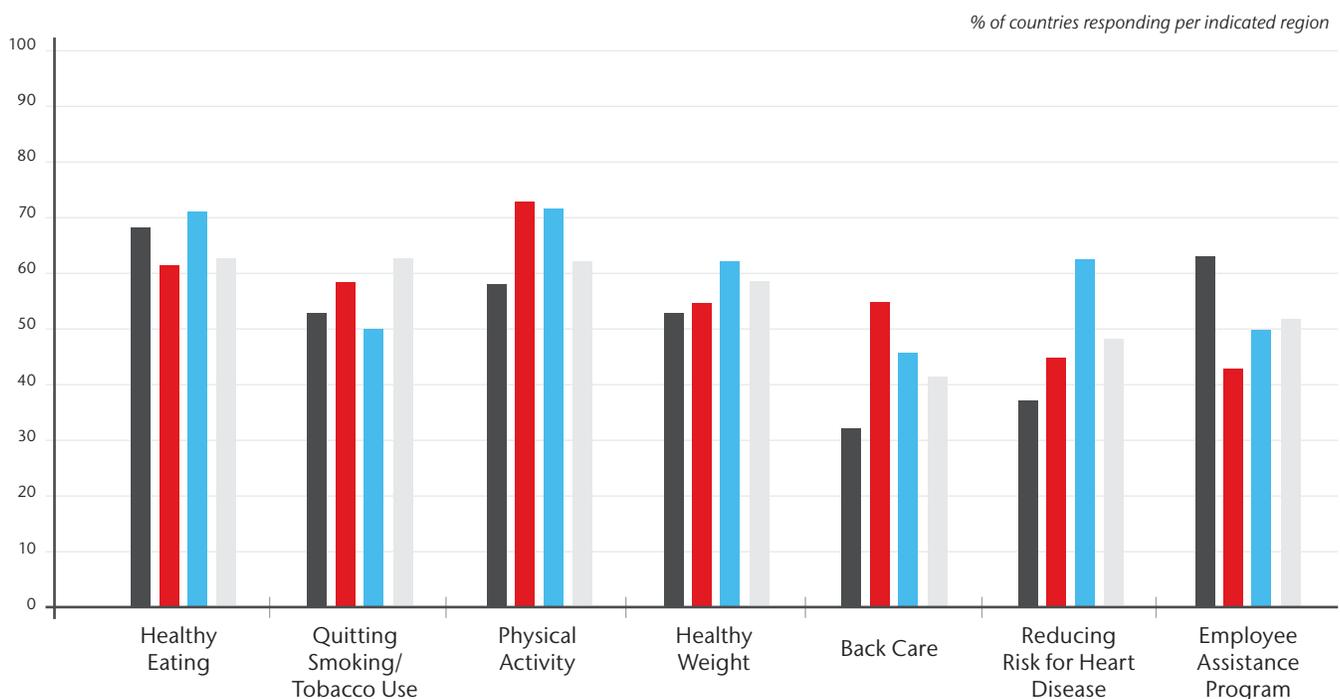
### Exhibit 29: Coaching Programs Commonly Provided by Region

Reported as Commonly Provided by Geographical Region



### Exhibit 30: Wellness Intervention Programs Commonly Provided by Region

Reported as Commonly Provided by Geographical Region



# Glossary of Terms

**Access and delivery restrictions** – Measures designed to incentivize plan members to seek care in a cost-effective manner (e.g., restrictions on the use of expensive hospitals, mandated use of general physicians prior to using specialists, avoidance of emergency rooms for non-emergency situations).

**Coinsurance** – A form of medical cost-sharing in a health insurance plan that requires an insured person to pay a stated percentage of medical expenses after the deductible amount, if any, was paid. In health insurance, an equivalent term is “percentage participation.”

**Copayment (copay)** – A form of medical cost-sharing in a health insurance plan that requires an insured person to pay a fixed monetary amount when a medical service is received. The insurer is responsible for the rest of the reimbursement. There may be separate copayments for different services. Some plans require that a deductible first be met for some specific services before a copayment applies.

**Cost-containment measures** – Initiatives aimed at reducing or controlling over-utilization such as the introduction of deductibles, copays, co-insurance in plan design, required use of referrals for expensive surgeries, limitations on reimbursement per type of expense or medical service.

**Deductible** – A fixed dollar amount during the benefit period (usually a year) that an insured person pays before the insurer starts to make payments for covered medical services. Plans may have per individual and family deductibles. Some plans may have separate deductibles for specific services.

**Mitigate** – To make less severe; steps taken to eliminate further damage after a loss occurs.

**Preferred Provider Organization (medical provider network) (PPO)** – An indemnity medical plan where coverage is provided to participants through a network of selected health care providers (such as hospitals and physicians). The plan participants may go outside the network but would incur larger costs in the form of higher deductibles, higher coinsurance rates, or non-discounted charges from the providers.

**Self-insured plan** – A plan offered by employers who directly assume the financial risk of health insurance for their employees. Some self-insured plans bear the entire risk. Some self-insured employers insure against large claims by purchasing stop-loss coverage. Some self-insured employers contract with insurance carriers or third-party administrators (TPA) for claims processing and other administrative services; other self-insured plans are self-administered.

**Stop loss** – A type of reinsurance designed to transfer a loss from the ceding company to the reinsurer at a given point or a provision in a policy designed to cut off the insurance company’s loss at a given point. Aggregate benefits and maximum benefits are an example.

**Third Party Administrator (TPA)** – An individual or firm hired by an employer to handle claims processing, to pay providers, and manage other functions related to the operation of health insurance. The TPA is not the policyholder or the insurer.

**Wellbeing** – A broader term than wellness that encompasses the employees state of balance needed to achieve optimal health and performance, often taking a view on five pillars: physical, social, emotional, career and financial health.

# Appendix

## Technical Note

The trend rates shown in this report represent national averages and are the predicted increase in premium costs. Trend increase for a specific company may vary significantly from these trend rates due to regional cost variations, company plan design, company demographics, and other factors. In addition, insured rate increases may be higher or lower than these trend rates, based on an insurance company's profitability, the plan's claims-loss ratio, the plan design, insured demographics, and other factors. It is important to note that these trend rates might not be appropriate for other purposes.

Medical Trend Rate is defined as the percentage of change in the cost of health care prior to any cost-containment measure undertaken by plan sponsors.

The components of health care trends that we have considered include:

- **Price inflation:** This is the projected annual change in the domestic retail consumer price index of the health care element in each country. In the absence of information on projected inflation for the medical plan component in any given country, we have used the change in the overall consumer price index.
- **Leveraging impact on fixed-amount elements of plan design:** This is the additional cost added to a health plan due to the leveraging effect of increasing expected claims on unchanging deductibles, copays, or out-of-pocket maximums.
- **Utilization:** This component reflects an increase in the demand for medical care services in response to factors such as increased access to medical services, plan design, participant age, and new medical technology and services.
- **Technology advances:** This reflects the change in cost due to new procedures, information, experience, and equipment replacing older techniques.
- **Cost shifting:** This reflects a provider of medical services, such as a government social health care program, transferring its cost to private-sector supplementary plans.

# Who to Contact

**Francois Choquette**

Executive Vice President, Global Benefits  
+1.415.816.1212  
francois.choquette@aon.com

**Timothy N. Nimmer**

Global Chief Actuary, Aon Health  
+1.303.782.3388  
timothy.nimmer@aon.com

**Rui Silva**

Vice President, Global Benefits  
+1.312.381.1967  
rui.silva@aon.com

**Janine Heijckers**

Global Benefits Practice Director - EMEA  
+31 (0) 6 429 854 14  
janine.heijckers@aon.nl

**Simon Godfrey**

Head of Global Benefits Asia-Pacific  
+852 2917 7955  
simon.godfrey@aon.com

**Stephen Caulk**

Senior Vice President and Consulting Actuary  
+1.303.782.3314  
stephen.caulk@aon.com

**Carl Redondo**

Global Benefits Leader, UK  
+44 (0)20 7086 0797  
carl.redondo@aon.com

## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement, and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

For further information on our capabilities and to learn how we empower results for clients, please visit <http://aon.mediaroom.com>

© Aon plc 2021. All rights reserved.

GDM03588