CANCER: TRENDS, NEEDS & GLOBAL PRODUCT SOLUTIONS

SOAT Thailand Insurance Forum 2014

November 2014

BRAVE IN A WORLD OF RISK
CANCER
Trends, Needs & Global Product Solutions

TRENDS
What is the risk of 30-year-old developing cancer before age 70?

<table>
<thead>
<tr>
<th>Country</th>
<th>Male Risk</th>
<th>Female Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>[Male Icons]</td>
<td>[Female Icons]</td>
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<tr>
<td>Japan</td>
<td>[Male Icons]</td>
<td>[Female Icons]</td>
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<tr>
<td>Korea</td>
<td>[Male Icons]</td>
<td>[Female Icons]</td>
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<tr>
<td>Singapore</td>
<td>[Male Icons]</td>
<td>[Female Icons]</td>
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<tr>
<td>UK</td>
<td>[Male Icons]</td>
<td>[Female Icons]</td>
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</table>
CANCER
Incidence Rate in Thailand

- Thailand’s cancer rates are lower than other countries
- Overall trend for Thailand is flat

Source: National Cancer Institute Thailand; National Cancer Center of Japan; National Cancer Center Korea; National Cancer Centre Singapore; Office for National Statistics, UK
CANCER
Trend in Thailand

Average Trend p.a. (1996-2008)

- Breast, colon and prostate has high deterioration
- Other cancer is improving or deteriorating at lower rates
- Overall trend is relatively flat, -0.1% / 0.5% for Male / Female
- What if?

Source: National Cancer Institute Thailand
Shape of breast cancer in Asia vs UK

- Cohort effect related to causes of breast cancer
- Rates in Asia flatten after age 50
- Rates in Asia expected to increase as cohort moves through

Source: National Cancer Institute Thailand; National Cancer Center of Japan; National Cancer Center Korea; National Cancer Centre Singapore; Office for National Statistics, UK
BREAST CANCER
Singapore, Japan & Thailand

Singapore Breast Cancer Rates

Japan Breast Cancer Rates

Thailand Breast Cancer Rates

Source: National Cancer Institute Thailand; National Cancer Center of Japan; National Cancer Centre Singapore
BREAST CANCER
Lifetime Risk

Estrogen augmented by progesterone

- Over-nutrition in childhood
- Genetic susceptibility
- Physical exercise, post-menopausal obesity
- Early menarche, late menopause
- Nulliparity, late marriage, late FTP, no lactation HRT
Thailand’s colon cancer incidence rates are low, but is deteriorating.
Trend is highest in 40’s to 50’s (the screening cohort).
Follows trends in other Asian countries due to the Westernization of diet.

Source: National Cancer Institute Thailand; National Cancer Center of Japan; National Cancer Center Korea; National Cancer Centre Singapore; Office for National Statistics, UK.
Thailand's prostrate cancer incidence rates are lower than other countries but the deterioration rate is high

Lots of room to catch up

Source: National Cancer Institute Thailand; National Cancer Center of Japan; National Cancer Center Korea; National Cancer Centre Singapore; Office for National Statistics, UK
### Increasing cost of cancer treatment – Protection Gap

- Upward trend in cost of treatment for Breast, Lung, and Colon-rectal cancer in particular, and these cancer sites are the top 5 cancers found in most SEA countries.
- Most of these existing customers already have a critical illness policy. They may have sufficient sum assured to cover the cost of treatment for other illnesses, but are actually underinsured for cancer.

<table>
<thead>
<tr>
<th>Top 5 Cancers</th>
<th>Thailand</th>
<th>Korea</th>
<th>Malaysia</th>
<th>Indonesia</th>
<th>Singapore</th>
</tr>
</thead>
</table>

**Typical cost range cancer treatment**

USD 20,000 – USD 150,000

**Typical Cancer/CI Sum Assureds**

USD 20,000 - USD 80,000

*Cost of cancer treatment excluding CIS*
There was a 24% increase in average cancer care cost per person from 2002 to 2005 in Korea.

New technologies and treatments have added 3.7% per annum to real cancer costs above medical inflation generally.

Cancer is the no.1 killer in Singapore
- 1 in 3 Singaporeans dies of cancer
- 14 people die from cancer every day
- 33 people are diagnosed with cancer every day

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The state of cancer care in America 2014, American Cancer Society

National Cancer Centre, Korea

Cancer Diagnosis and Treatment: A 2021 Projection, www.bupa.com
Dramatic shifts in cancer trends are rare, but they do occur and can be triggered by a single event, such as a public figure’s diagnosis with cancer.
Trends in Thai Cancer could pick up

Is the industry ready for this?

Are all stakeholders (customers, insurers, agents, the regulator) clear on what will happen to reviewable policies if deterioration happens?

Follow Best Practices on Reviewable Business
CANCER
Trends, Needs and Global Product Solutions

NEEDS
THE NEED FOR CANCER INSURANCE

Cancer Landscape in Thailand

Comprehensive cancer care and control in Thailand has not yet been achieved. Screening programs for both breast and cervical cancer reach only a small proportion of the population.

Cancer is number one cause of death in Thailand since year 2000. There are over 60,000 people died of cancer per year in Thailand.

Although the Thai government has developed and implemented the Cancer Prevention and Control program for more than three decades, the majority of people with cancer seek medical treatment only when their cancer is at an advanced stage.

There is a lack of both health care personnel fully trained in palliative care and specialist palliative care services in Thailand.

Cancer and malignant tumors are the leading cause of death in Thailand. The hospital admission rate of people with cancer per 100,000 population has increased from 34.7 in 1994 to 89.4 in 2003 (Wibulpolprasert, 2005). Cancer therefore is considered as one of the major challenges facing the Thai health care system.

75% of people wait more than 2 weeks to get their lung cancer diagnosed by imaging. Availability and accessibility to targeted drug treatment is generally low to moderate.

Catastrophic expenditures continue to be linked to utilization of private health services and paying out-of-pocket, with particular risk for catastrophic expenditures occurring among households caring for a member with and chronic disease or hospitalization.

Number of persons living with a history of cancer is expected to increase dramatically.
THE NEED FOR CANCER INSURANCE

The True Cost of Cancer

People totally underestimate the financial impact it will have on them and their family

- They may be off work for long periods of time, or their family members may need to take unpaid leave to care for them or take them for treatment
- The average time off work is 8 months for someone with cancer
- Only a third of the cost of having cancer is for the initial diagnosis and treatment – the rest of the cost is for on-going care and management, and end of life care
- Cancer has a major impact on the patients' savings, and their ability to meet obligations in terms of mortgages and other personal loans
- The value of an informal caregiver's time was, on average, more than $40,000 per cancer patient
- Child care needs whilst they are undergoing treatment or in hospital
- There are a lot of out of pocket expenses – travel to hospital for treatment, parking costs, meals, etc.
- There is the rising cost of cancer treatment and annual or lifetime limits may be exceeded on health insurance plans, not to mention co-insurance and deductibles
- Even expenses like higher utility bills whilst recovering at home

ASEAN Initiative – Study on the Socioeconomic Impact of Cancer in Member Countries of the Association of Southeast Asian Nations (ASEAN)
Cancer affects the different facets of a person’s life, both at a personal and social (loved ones) level

**PHYSICAL CONCERNS**
- “Torturing”
- “Painful”
- Suffering

**EMOTIONAL CONCERNS**
- “Scary”
- “Heartache”
- Depressed and fearful at the thought of dying
- Stressful for family members due to uncertainty of the condition and the cost to them financially

**LIFESTYLE CHANGE CONCERNS**
- Lifestyle changes drastically for the patient and family
- Consumes a lot of time (e.g. ferrying patient to and from hospital)
- Requires added responsibility to care for sufferer

**FINANCIAL CONCERNS**
- “Worry on how to pay the bill”
- Expensive/high medical fees
- Financial burden for family
- Loss of income
- Worrying about family’s daily living expenses
- Children’s education expenses
CANCER Trends, Needs & Global Product Solutions

SOLUTION – A CANCER PRODUCT
Current insurance plans, whether they are traditional MEDEX or diagnosis-only plans, can only meet some of the financial needs and little of the other needs in terms of practical and emotional support.
PRODUCT SOLUTIONS VS CANCER NEEDS

1. Preventive
   - Cancer Diagnosis
     - Non-Invasive / Invasive
     - Gender-specific
     - Cancer in Senior
     - Tiered / Staged Cancer

2. Diagnostic
   - Daily IPD / OPD Benefit
   - Reconstructive Surgery
   - Surgical, Chemo, Radiotherapy benefit

3. Treatment
   - Daily IPD / OPD Benefit
   - Reconstructive Surgery
   - Surgical, Chemo, Radiotherapy benefit

4. Rehabilitation
   - Daily IPD / OPD Benefit
   - Reconstructive Surgery
   - Surgical, Chemo, Radiotherapy benefit

5. Relapse or Second Cancer

6. Palliative Care

PREVENTIVE
DIAGNOSTIC
TREATMENT
REHABILITATION
RELAPSE OR SECOND CANCER
PALLIATIVE CARE
The concept is generally well-received as it is appealing, relevant, and unique.

**Highly Appealing & Interesting**
- Consumers are generally impressed with the idea “Good idea”, “Very convincing”, “Impressive”
- Appeal driven by comprehensiveness of the coverage “Covers everything from diagnosis to recovery”, “complete”
- Standouts: Income replacement, Support Services, Comprehensive: covers from treatment to recovery

**Good Relevance**
- Fits an existing need gap for Insurance “This is what other insurers are lacking”
- If this concept is developed into a product, they can see the relevance to them either as an added coverage (for those with critical illness insurance covering cancer) or as a standalone

**New & Unique**
- The idea of a specific comprehensive cancer insurance is seen as new and unique
  - “Have not heard this idea before”
  - “Other companies are not covering this way”
  - Beyond financial assistance, also provides support services
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