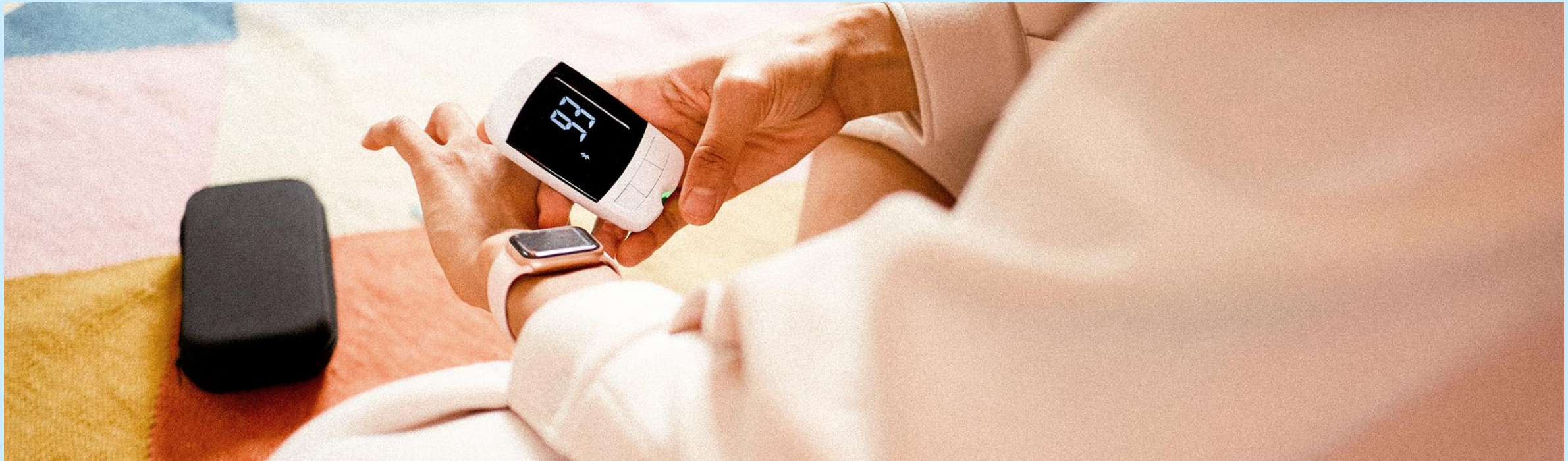
MARSH

Health Trends 2027

Asia infographic



Health Trends 2027: Asia key takeaways

Trend	What it means	Key findings
Medical trend rates remain elevated, marking the sixth consecutive year of double-digit increases.	Medical cost pressures are not easing. Sustained rates of inflation and uncertain economic conditions are contributors to elevated trend rates.	Looking ahead to 2028–2030, 75% of insurers expect medical trend rates to remain at current levels or increase further.
Insurers are increasingly concerned about concentrated, high-impact cost drivers that are difficult to manage with broad strategies.	Top concerns among insurers include high-cost claimants, specialty therapies, provider pricing pressure, and fraud/waste/abuse. These make targeted management even more vital.	87% of insurers are concerned about high-cost claimants and 71% are concerned about fraud, waste, and abuse over the next three years.
Insurers expect plan sponsors to focus on moderate cost control and value optimisation.	Evidence-based benefit redesign protects targeted, high-ROI interventions (e.g. early detection, prevention, specialty care management) while consolidating low-impact spending. This requires moving from a cost-reduction mindset to a cost-management mindset.	64% of insurers expect employers to pursue either moderate cost control (37%) or value optimisation (27%), while only 21% expect aggressive cost control by keeping spend within budget.

MARSH

© 2026 Marsh. All rights reserved.

What's driving 2027 medical trends in Asia?

Medical trend rates are expected to remain elevated, nearly five times the rate of inflation, with Asia having the highest gap across regions. This puts pressure on employer-sponsored health plans and overall benefit costs.

The outlook is being shaped by persistent structural drivers in care delivery including changes in treatment mix and higher prevalence of health conditions. Together, these suggest that the environment will remain challenging.

Treatment mix leads factors driving medical trend rates, while operating factors add premium pressure.

Projected medical trend rate vs inflation rate

	2026 forecast medical trend rate	2026 forecast inflation rate	2027 forecast medical trend rate	2027 forecast inflation rate
Asia	**11.4%**	**2.7%**	**11.7%**	**2.4%**
China	8.8%	1.2%	9.5%	1.5%
Hong Kong	9.6%	2.1%	10.0%	1.8%
Indonesia	13.8%	3.0%	13.0%	2.6%
Malaysia	15.0%	1.9%	16.0%	2.0%
Philippines	13.0%	4.3%	14.0%	3.2%
Singapore	14.0%	2.3%	14.9%	1.9%
South Korea	9.6%	2.5%	9.6%	1.9%
Taiwan	9.9%	1.5%	10.0%	1.6%
Thailand	10.3%	0.9%	10.8%	1.0%
Vietnam	12.0%	4.9%	11.0%	4.6%

The rates are prospective. Unweighted global and regional averages used. This was gathered from 306 insurers, with medical trend rates submitted by insurers validated by our local teams using their own internal book of business data, country-specific insurer surveys and professional experience. Please note the United States is not part of the research

Top 2027 medical trend drivers

Global

57%

Changes in treatment mix

47%

Higher incidence/ prevalence of health conditions

27%

Demographic changes, tariffs on medical supplies and public-system constraints

Asia

61%

Changes in treatment mix

53%

Higher incidence/ prevalence of health conditions

36%

Local currency devaluation

Top non-claim premium drivers

Asia

54%

Administrative expense increases

43%

Regulatory changes to underwriting, rating rules, eligibility, and mandated benefits

31%

Reinsurance cost and availability

© 2026 Marsh. All rights reserved.

Top 2025 causes of claims by cost and frequency

Changing health needs are increasing healthcare demand while cancer is a growing people-risk issue.

Compared to global, Asia sees a different set of acute claims driving dollar spend after cancer and heart disease. In claims by frequency, musculoskeletal conditions claims have jumped three spots and cancer by one spot compared to the prior year.

Top causes of claims based on dollar amount (Asia)

		vs global
1	Cancer	1
2	Diseases of the circulatory system*	2
3	Respiratory conditions*	5
4	Gastro-intestinal diseases	6
5	Accidents and injuries caused by external factors	7

*Causes #2 and #3 are tied in 2025 in Asia

Top causes of claims based on frequency (Asia)

		vs prior year
1	Respiratory conditions	1
2	Musculoskeletal conditions	5
3	Cancer	4
4	Gastro-intestinal diseases	2
5	Diseases of the circulatory system	3

2025 vs 2024

Q.19 What were the top three causes of claims cost in 2025, based on the dollar amount claimed?
Q.20 What were the top three causes of claims cost in 2025, based on the incidence (frequency) of claims?

© 2026 Marsh. All rights reserved.

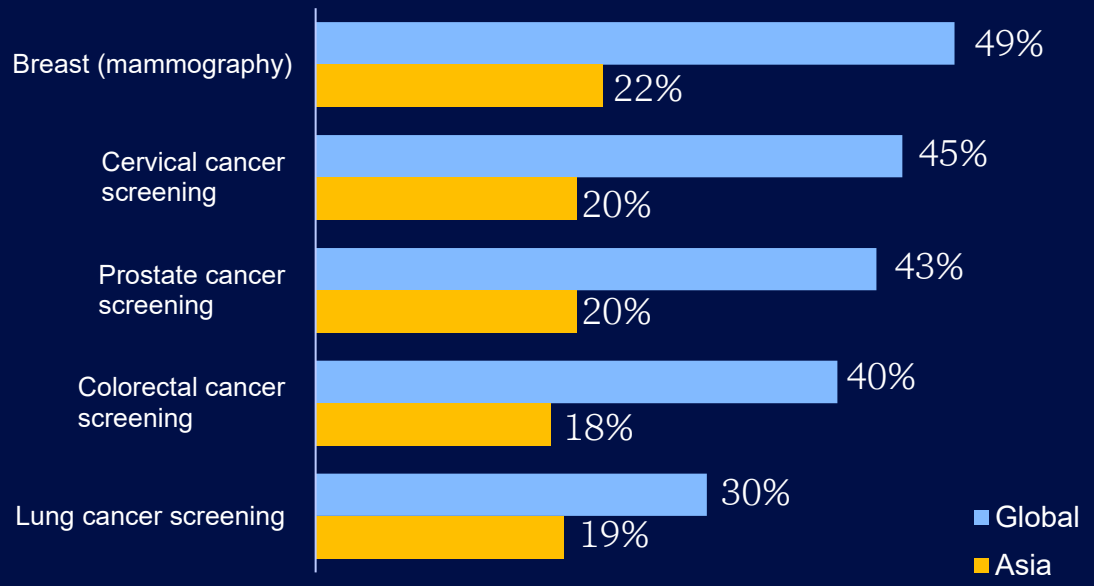
Every stage matters: supporting employees through cancer

Cancer is the leading claims cost-driver across Asia. While cancer screenings are typically not included in employer-sponsored benefit plans, companies have viable alternative pathways to support this by partnering with healthcare providers, third-party administrators, and government health agencies.

Employers play a role at every stage, and workplace support — including flexible work, caregiver support, and benefits guidance — is the connective thread across all four stages of the cancer journey.

Not all cancer screenings are included in employer-sponsored benefit plans

% insurers typically including coverage - global vs Asia



Q51. Which of the following cancer screening benefits are included or available in employer-sponsored group health plans in your market?

Cancer support framework

A holistic approach is required, combining programs that address:

Prevention

Ensuring benefits cover screenings and preventive care

Diagnosis

Improving access and mental health support

Treatment

Addressing coverage gaps and supporting employees in finding high-value care

Survivorship

Supporting employees after treatment with return-to-work programs, follow-up care, mental health, and peer support

© 2026 Marsh. All rights reserved.

Cancer survivorship: from treatment to sustainable working lives

Cancer is increasingly a working-life issue. More employees are being diagnosed and more are surviving. The employer role has shifted from treatment coverage to long-term survivorship and workforce support.

During treatment

What employees need:

- Flexible work and leave to accommodate appointments and fatigue.
- Benefits that remove barriers to treatment access, provide financial assistance for care, and address plan maximums.
- Care navigation, advocacy, and case management support.
- Mental health and psychosocial support.
- Income continuation for time away from work.



Recovery & survivorship

What a good return looks like:

- An individualised return-to-work and phased reintegration plan.
- Workplace accommodations for ongoing symptoms and side effects.
- Ongoing follow-up care and flexibility for medical appointments.
- Mental health benefits and peer support.
- Financial planning support for ongoing expenses and eventual retirement planning.
- Manager and HR training for supervisors to support returning employees.

What plan sponsors should put in place

Extend benefits design across the full continuum — prevention, diagnosis, treatment, and survivorship — ensuring coverage gaps in plan maximums, prescription drugs, and income continuation are addressed.

© 2026 Marsh. All rights reserved.

Impact of AI on cost

AI could improve healthcare and benefits administration, but its overall impact on costs remains uncertain. AI may improve efficiency and enable earlier diagnosis, but could also identify more conditions, increase treatment, and expand access to costly care.

In the short term, AI may increase utilisation and cost pressures. Over time, it could reduce misdiagnoses, streamline care, improve claims accuracy, and strengthen population health management.

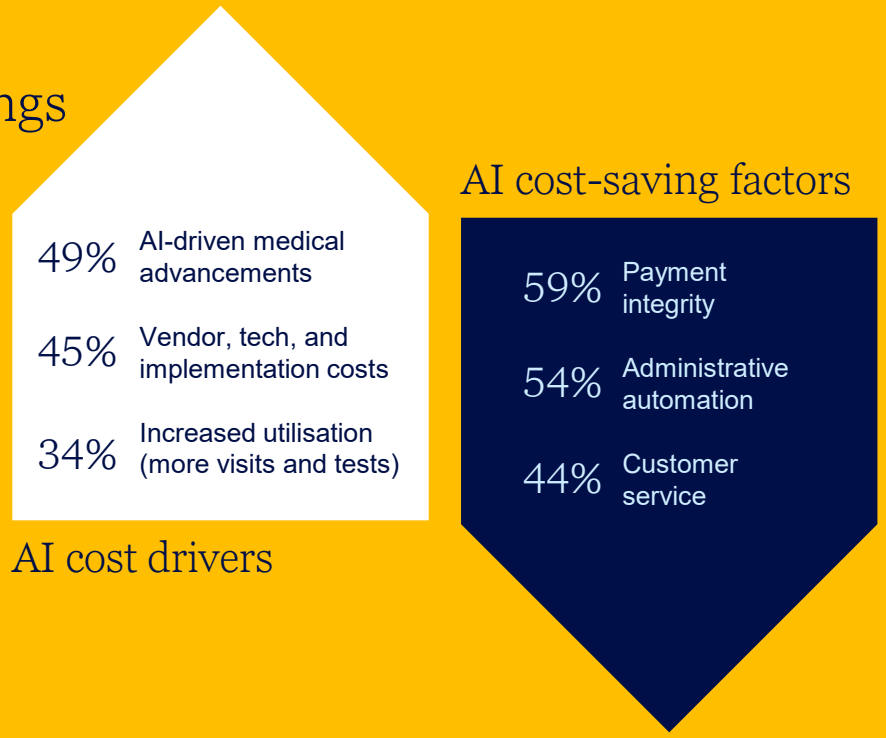
Over the next 2-3 years, what is your overall expectation for AI's financial impact on your group medical portfolio's total costs (claims + administrative costs)?

% insurers - Asia



Top three AI drivers/savings

% insurers - Asia



Over the next 2-3 years (% insurers - Asia):

- Which AI-related factors are expected to have the largest potential cost increase on your group medical portfolio's total costs? (Q50)
- Which AI-related factors are expected to have the largest potential savings on your group medical portfolio's total costs? (Q55)

© 2026 Marsh. All rights reserved.

How organisations and insurers can collaborate to manage costs sustainably

Cost management journey

Align benefits design to strategy

- Define your strategy
- Design eligibility, coverage, and cost-sharing to meet your goals

Improve outcomes

- Influence care and support
- Manage population health

Optimise operations and financing

- Right-size your financing approach
- Pursue administrative and vendor efficiencies

Cost-containment options in employer-sponsored health plans

58%	Communication/digital education tools to make plan members smarter consumers
54%	Reasonable procedure/supply cost pre-authorisation
57%	Medical appropriateness pre-authorisation
44%	Limited networks with lower cost, higher quality healthcare providers
60%	Provider negotiation for better rates
13%	Alternative financing arrangements

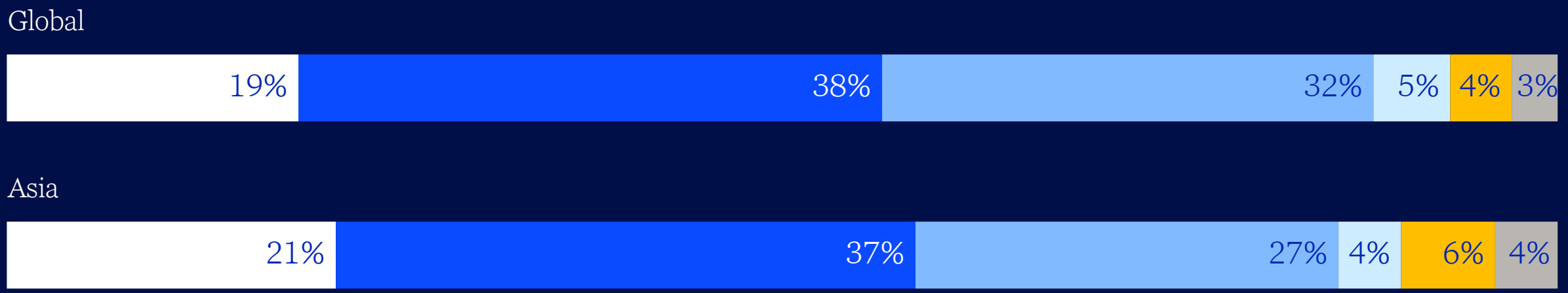
Underpinned by analytics, governance, communication and stakeholder management

Explore practical strategies for improving the long-term affordability of health benefits in the Practical Guide for Managing Health Benefit Cost

MARSH

© 2026 Marsh. All rights reserved.

Insurers expect employers to focus on moderate cost control and value optimisation in the upcoming renewal cycle



Aggressive cost control: keep spend within budget, even with major plan reductions

Moderate cost control: limit cost growth with some plan changes

Value optimisation: evolve plan features to make sure spend is judicious and supports positive health outcomes

Selective investment: add a few targeted enhancements with a modest cost increase

Invest for quality / experience: meaningfully enhance benefits, accepting higher cost

Not sure

Q25[SA]: Looking ahead to the next renewal cycle (next 12 months), what is the primary strategic direction you expect your employer clients to take for their medical plan?

© 2026 Marsh. All rights reserved.

Key takeaways

Insight	Healthcare costs will continue to grow	There is no single solution to rising costs	AI could reduce costs and create new ones	Preventive gaps and opportunities to optimise care persist for major conditions despite broad workforce impact
Action	Plan for consistently rising costs but spend judiciously by directing resources toward value-based benefits, providers and solutions that deliver meaningful outcomes for employees and the organisation.	Align benefit design, financing, and delivery with workforce needs, claims experience, risk tolerance and strategic priorities. Then, continually assess the value they deliver.	Understand how AI is being used across the healthcare benefits ecosystem. Be aware of controllable areas where it creates measurable value and establish appropriate oversight for its use.	Expand data-led prevention, value-based care, and condition management while supporting employees' wider health, financial, and ongoing work needs.



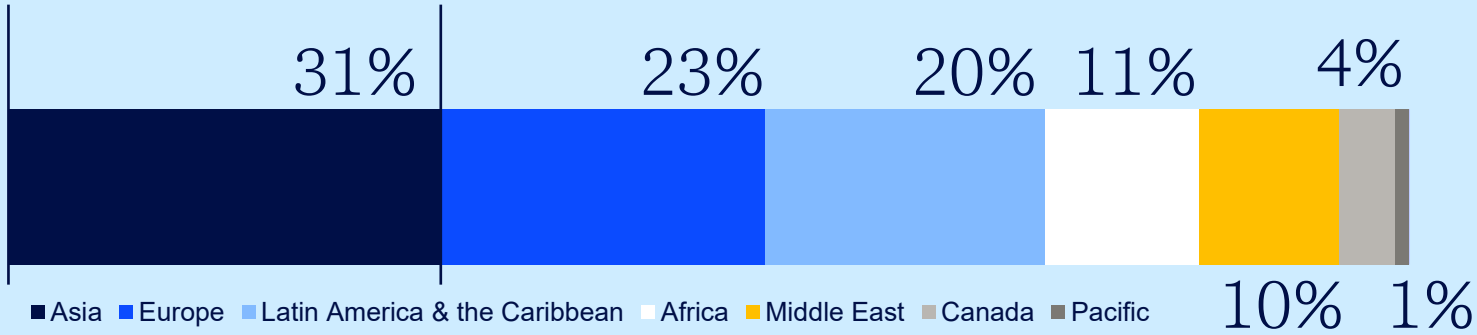
Learn more by downloading the Health Trends 2027 report summary

© 2026 Marsh. All rights reserved.

Health Trends overview

- The Marsh Health Trends Global Insurer Survey was conducted in **June** and **July 2026.**
- Data was provided by **306 insurers** across **69 markets,** including **95 in Asia.**

Percentage of insurers participating by region



US data were collected separately using different parameters (given the complexity of the market) in Mercer's National Survey of Employer-Sponsored Health Plans.

Medical trend data percentages

are available for markets for which an acceptable number of responses was provided and/or validated by the local market. Local teams in each market peer reviewed the medical trend rates submitted by insurers using their own internal book of business data, country-specific insurer surveys, and professional assessments. This review resulted in us changing some of the estimated rates from the raw insurer responses.

Defining medical trend

Medical inflation (increase in cost for services/supplies; can be driven by currency fluctuations with respect to imported supplies)

+

Changes in treatment mix (potentially more expensive options now being administered)

+

Utilisation changes (more/less of certain age groups leveraging health services)

+

Regulatory changes

Year-over-year cost increase for claims on a per-person basis made under a medical scheme

MARSH

This document and any recommendations, analysis, or advice provided by Marsh (collectively, the “Marsh Analysis”) are not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, tax, accounting, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. Marsh makes no representation or warranty concerning the application of policy wording or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage. Although Marsh may provide advice and recommendations, all decisions regarding the amount, type or terms of coverage are the ultimate responsibility of the insurance purchaser, who must decide on the specific coverage that is appropriate to its particular circumstances and financial position.

We are leaders in risk, strategy and people. One company united by a shared purpose to build the confidence to thrive through the power of perspective.

© 2026 Marsh. All rights reserved.