EU-ASEAN BUSINESS COUNCIL
The Voice of Europe

Securing ASEAN's Future:

Driving Socio-Economic Growth Through Health Insurance

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1 Executive Summary

Insurance in ASEAN is more than a financial product. It is an enabler of resilience, productivity and inclusive growth. It protects households from catastrophic shocks, allows businesses to invest with confidence and reduces the strain on public budgets. Yet while coverage is expanding across the region, the gap between economic promise and lived experience remains a key challenge. By drawing primarily on two pieces of research commissioned by Prudential plc, *"Patient voices: experiences of healthcare access in Asia"* by Economist Impact[1], and "*Beyond Coverage: The Social and Economic Impact of Insurance in ASEAN*", by PwC[2], this paper investigates both the macroeconomic contribution of health insurance and the view of patients, drawing on these two connected aspects to form a view of the policy implications for countries in ASEAN.

On the macroeconomic front, non-life insurance, including health coverage, directly contributes to economic growth. Econometric modelling across six ASEAN Member States (Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam) finds that an increase in non-life insurance premiums is associated with a rise in labour force participation and an increase in human capital. Long-term projections suggest that expanding non-life coverage by 50% by 2050 could raise regional GDP by 2.6% (USD 285bn). The maximum GDP per capita increase in ASEAN-6 is 3.1%, which is the projected increase in Thailand. These results demonstrate that insurance is not merely a financial backstop; it is a driver of economic development.

Yet growth cannot be measured by premiums alone. There are points where consumers are not satisfied with the way healthcare and insurance interact. This paper draws upon research that revealed that consumers of healthcare in Hong Kong, Indonesia, Malaysia and Singapore say they often do not know where to seek care, experience higher-than-expected costs and feel they lack the right information to make treatment decisions. Younger generations, especially Gen Z, are more likely than older cohorts to report dissatisfaction with booking systems, quality of care and provider attentiveness.

This paper argues that insurance in ASEAN must be seen through an economic development lens as well as through the eyes of patients and consumers. By aligning these two dimensions, insurance can fulfil its role as both a cornerstone of economic development as well as a trusted social contract that tangibly improves lives.

The policy challenge is to bridge this divide. Expanding coverage can deliver measurable economic gains, but those gains will only materialise if protection is experienced as reliable and transparent at the point of need. This requires action on both fronts: fiscal and regulatory measures to expand insurance markets and patient-centred reforms to improve navigation, cost clarity, digital empowerment and trust in provider interactions.

1 Patient_voices_regional_report.pdf

2 Beyond Coverage report.pdf

Policy Recommendations

Expanding health insurance in ASEAN is not only a social goal, but also a strategy to drive economic growth. Evidence across the ASEAN-6 shows that higher coverage raises GDP by mobilising labour and human capital, while patient-level insights reveal that gaps in affordability, predictability in costs and service quality undermine trust. Governments therefore face a twin challenge: widening coverage and improving the patient experience.

At the system level, policies should focus on building the foundations of inclusive, financially sustainable insurance ecosystems, extending protection to low-income and informal workers, improving cost transparency and affordability, and aligning premiums with demographic and medical trends. Stronger public–private partnerships, regional coordination and digital infrastructure are essential to scale coverage efficiently.

At the service level, success depends on making protection usable, transparent and trusted at the point of care. Streamlined claims, mobile enrolment, clear referral pathways and shared decision-making can help patients navigate complex systems. Technology and AI can reduce fraud and waste but must be implemented with safeguards that prioritise human oversight and customer wellbeing to build trust.

Level	Short-term focus	Long-term reform
System-level enablers	▪ Targeted subsidies and incentives to expand coverage among low-income, rural and informal sectors. ▪ Introduce cost benchmarks and regulate common medical fees to improve affordability and predictability. ▪ Enforce minimum coverage for preventive and primary care. ▪ Temporary premium support during economic shocks. ▪ Expand coverage to evidence-based self-care interventions and products.	▪ Build sustainable financing models using risk pooling, reinsurance and pricing aligned with demographic and medical trends. ▪ Strengthen public–private partnerships for inclusive delivery and infrastructure. ▪ Invest in insurance literacy and digital inclusion. ▪ Develop interoperable data systems and insurtech sandboxes to foster innovation. ▪ Create ASEAN frameworks to harmonise standards and reduce regulatory fragmentation.
Service-level standards	▪ Simplify enrolment and claims through mobile, real-time and “one patient, one form” processes. ▪ Improve navigation with digital triage tools and referral clarity. ▪ Provide patient concierge or case-manager support.	▪ Build shared decision-making platforms integrating clinical and coverage data. ▪ Apply AI responsibly to reduce fraud, waste and unnecessary procedures. ▪ Integrate preventive and chronic-care management into benefit packages. ▪ Ensure transparency, human oversight and trust in the use of digital tools.

2
Health Insurance: More Than Just Coverage

For millions of families and business owners across ASEAN, an insurance policy can mean the difference between a temporary setback or a lasting crisis. We often think of insurance as just a financial safety net—a payout after an accident or coverage for a hospital bill. But its impact goes far beyond dollars and cents. Insurance can keep a family's hopes alive after a traumatic incident, allow an entrepreneur to take bold steps without fear and help whole communities bounce back faster when adversity strikes. Insurance does not merely offer protection from losses; it empowers people to keep moving forward.

Across Southeast Asia, the promise of insurance is beginning to unfold. The region's insurance sector is expanding rapidly, fuelled by rising incomes, urbanisation and growing awareness of the need for protection. In recent years, insurance growth in ASEAN has even outpaced overall economic growth, a sign of both progress and untapped potential. Yet coverage remains far from widespread. On average, ASEAN countries have an insurance penetration of only around 3% of GDP, less than half the global average. Outside of Singapore – where coverage is relatively high – most markets remain in the low single digits. This means a flood, an illness or an accident still has the potential to push many households into debt or poverty. These gaps point to an enormous opportunity for policymakers and insurers to broaden coverage and strengthen economic security for all.

What would it mean to unlock this untapped potential? The benefits would extend well beyond individual peace of mind. With greater insurance coverage, businesses could invest more confidently, knowing they can weather unexpected setbacks. This fuels entrepreneurship, job creation and stable growth. Families would no longer have to deplete their life savings to cope with medical emergencies, leading to healthier, more financially secure communities. Even governments would feel the difference. When more citizens are insured, fewer people depend solely on public aid in a crisis, allowing public funds to be used more efficiently on long-term development. In short, wider insurance coverage can be a cornerstone of economic resilience and inclusive growth, sparking prosperity that is more broadly shared and sustained.

These possibilities raise some critical questions. How can insurance strengthen health systems and reinforce the broader social safety net? How can governments and insurers work together to make this vision a reality? The sections that follow tackle them across the ASEAN countries, showing that when insurance is fully embraced, it becomes a powerful tool for healthier societies and more resilient economies.

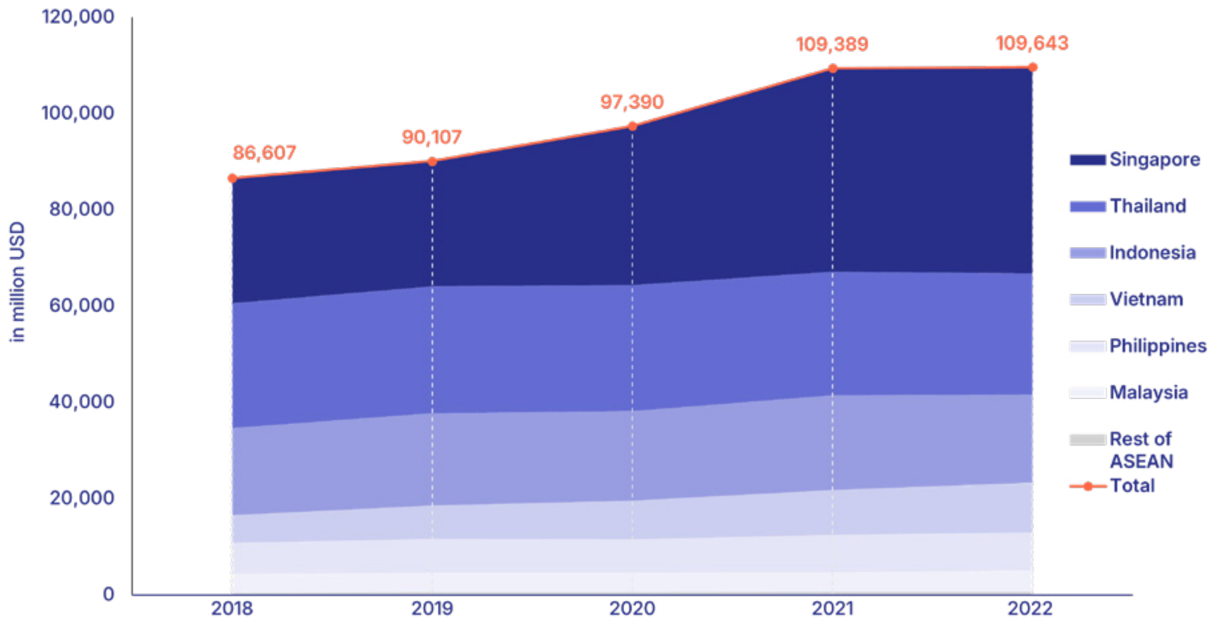
3 Insurance in ASEAN: A Snapshot

The ASEAN insurance market experienced robust growth at a compound annual growth rate (CAGR) of 6.1% from 2018 to 2022, in contrast with a CAGR of 4.9% for GDP during the same period[3]. This growth was driven by factors including rising incomes, urbanisation and increased awareness of, and demand for, insurance products. Non-life insurance registered notable growth, particularly in motor and health insurance segments. The growth in health insurance reflects greater awareness of health risks, a desire to protect against and manage out-of-pocket spending on health alongside rising healthcare costs.

The ASEAN-6 countries represent 99% of the insurance premiums in the ASEAN insurance market.

Gross insurance written premiums in ASEAN

2018 – 2022



	2018	2019	2020	2021	2022
Singapore	26,042	26,002	33,017	42,242	42,794
Thailand	25,949	26,343	26,158	25,654	25,218
Indonesia	18,021	19,205	18,589	19,653	18,349
Vietnam	5,739	6,886	8,037	9,363	10,269
Philippines	6,345	6,995	6,971	7,708	7,826
Malaysia	4,072	4,039	4,014	4,121	4,521
Rest of ASEAN	438	638	604	648	667
Total	86,607	90,107	97,390	109,389	109,643

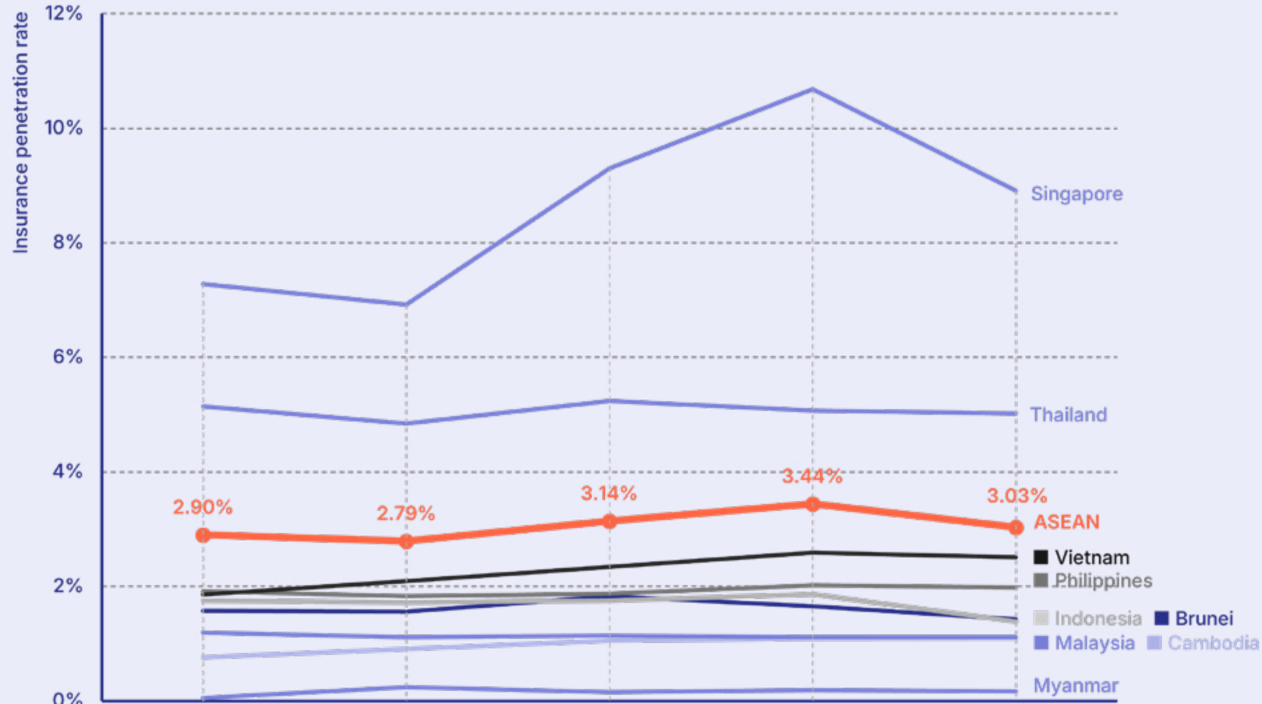
Source: The ASEAN Insurance Council, ASEAN Statistical Report 2023. No insurance industry data for Laos.

3 The ASEAN Insurance Council, ASEAN Statistical Report 2023. *No insurance industry data for Laos.*

Insurance penetration in ASEAN, measured as the ratio of total insurance premiums to GDP, varies significantly across member states. As of 2022, on average, the penetration rate for the region was around 3%. There is, of course, significant variation across the markets in ASEAN, with the most mature insurance market, Singapore, at 9.2% penetration, while other markets, with the exception of Thailand, generally seeing penetration rates below 3%, significantly lower than the global average of 6.7%.[4] The relatively low penetration in these countries points to untapped opportunities for policymakers and insurers to broaden and enhance insurance offerings, thereby fostering social and economic development.

Insurance penetration rate in ASEAN

2018 – 2022



	2018	2019	2020	2021	2022
Brunei	1.57%	1.56%	1.83%	1.65%	1.43%
Cambodia	0.76%	0.91%	1.05%	1.09%	1.10%
Indonesia	1.75%	1.72%	1.75%	1.86%	1.39%
Malaysia	1.19%	1.11%	1.14%	1.11%	1.11%
Myanmar	0.05%	0.24%	0.15%	0.19%	0.17%
Philippines	1.92%	1.83%	1.87%	2.02%	1.98%
Singapore	7.28%	6.92%	9.30%	10.68%	8.91%
Thailand	5.14%	4.84%	5.24%	5.07%	5.02%
Vietnam	1.86%	2.09%	2.34%	2.59%	2.51%
ASEAN	2.90%	2.79%	3.14%	3.44%	3.03%

Source: The ASEAN Insurance Council, ASEAN Statistical Report 2023. No insurance industry data for Laos.

4 Statista. https://www.statista.com/statistics/381174/insurance-penetration-in-selected-countries-worldwide/

4
Insurance as a Tool for Economic Development

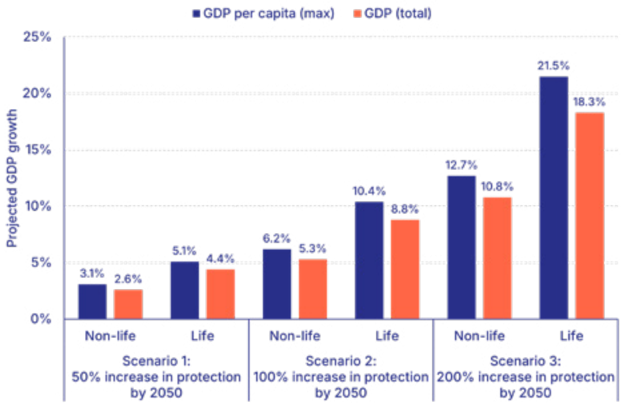
To assess the contribution of health insurance to economic development, we draw upon a recent paper called *"Beyond Coverage: The Social and Economic Impact of Insurance in ASEAN"*[5] produced by Prudential, in partnership with PwC. This study combined econometric analysis with the World Bank's Long-Term Growth Model (LTGM). The analysis focused on how health coverage influences two key drivers of growth: labour force participation and human capital. Using panel data from ASEAN-6 over a decade, regression techniques were applied to quantify the relationships between health insurance premiums and these growth factors.

The results show that greater access to health insurance leads to higher labour force participation and stronger human capital, by enabling better health outcomes, reducing mortality risk, and supporting productivity. Utilising the insights on the relationship between insurance premiums and growth drivers from the Fixed Effect Regression analysis, a LTGM model is used to project changes in GDP per capita and overall GDP, stemming from the growth of non-life and life insurance in ASEAN-6.

Three scenarios of accumulative insurance market growth were developed for each country, projecting increases by 2050: (1) a 50% increase; (2) a 100% increase; and (3) a 200% increase[6]. On the right is the summary of overall impact on non-life insurance on GDP per capita and total GDP in ASEAN-6.[7]

Projected GDP growth in ASEAN-6 by 2050

at different levels of non-life & life insurance protection



Source: Beyond Coverage: The Social and Economic Impact of Insurance in ASEAN. Prudential plc, 2025.

Non-Life Insurance

If residents in ASEAN-6 increase their non-life insurance (including health insurance) protection by 50% by 2050:

- The maximum increase in GDP per capita in ASEAN-6 could be 3.1%, where GDP per capita could increase from USD 22,797 to USD 23,494. This is the projected increase in Thailand.
- The total GDP in ASEAN-6 could increase by USD 285 billion from USD 10,893 billion to USD 11,178 billion, or 2.6%, during the period, compared to baseline projections.

5 Beyond Coverage: The Social and Economic Impact of Insurance in ASEAN_pdf.

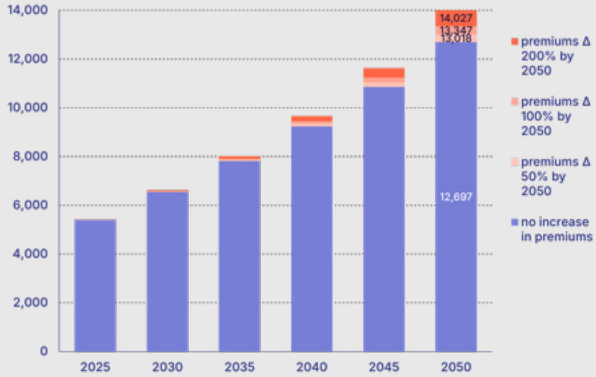
6 The growth curve tends to gradually flatten when the level or quantity of a variable reaches a certain threshold. For the insurance industry, the current large market size makes it challenging to replicate the rapid growth observed over the past two decades. Since the marginal diminishing effect is not accounted for in Fixed Effect Regression and Long-Term Growth Models, the impact results are based on a premium increase rate of 50%. Scenarios of 100% and 200% insurance will be provided for reference only.

7 Detailed market-specific impact is enclosed in the annex.

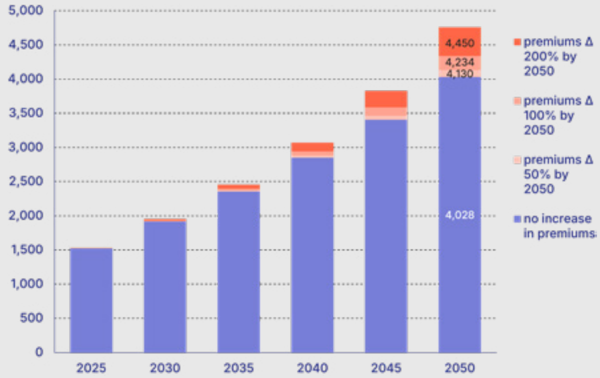
Impact of Non-Life Insurance on GDP by Market[8]

Indonesia

Indonesia — **Projected GDP per capita**
at different levels of insurance premiums (in USD)

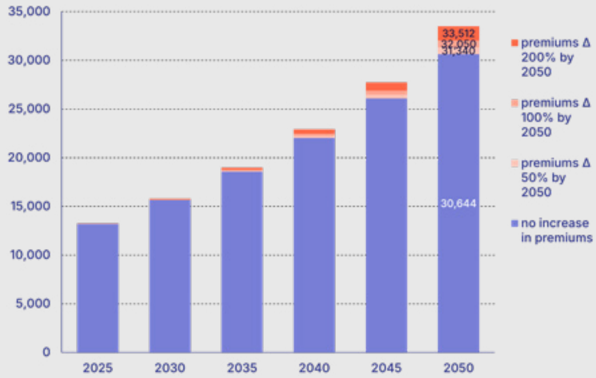


Projected **GDP**
at different levels of insurance premiums (in USD billions)

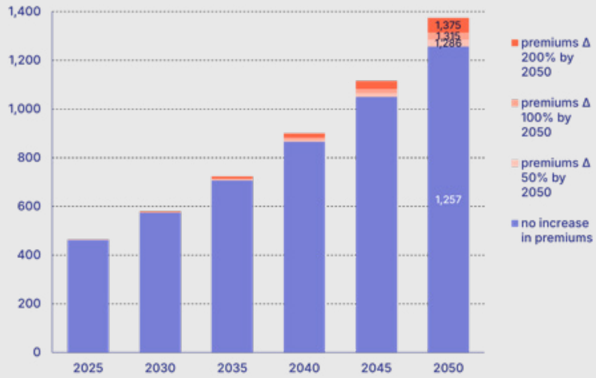


Malaysia

Malaysia — **Projected GDP per capita**
at different levels of insurance premiums (in USD)

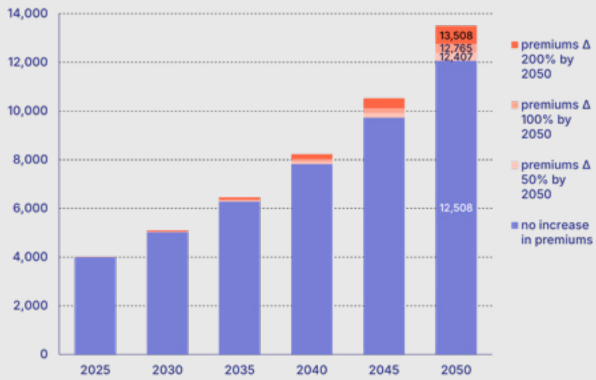


Malaysia — **Projected GDP**
at different levels of insurance premiums (in USD billions)

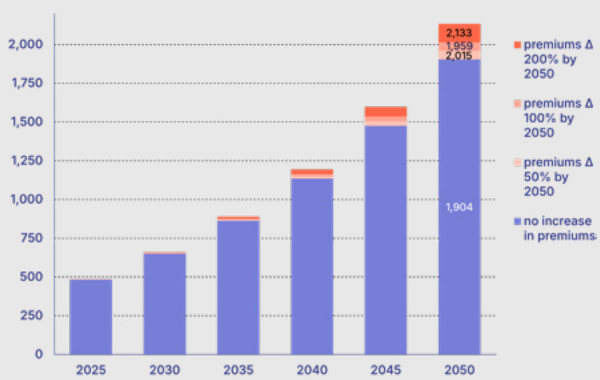


Philippines

Philippines — **Projected GDP per capita**
at different levels of insurance premiums (in USD)



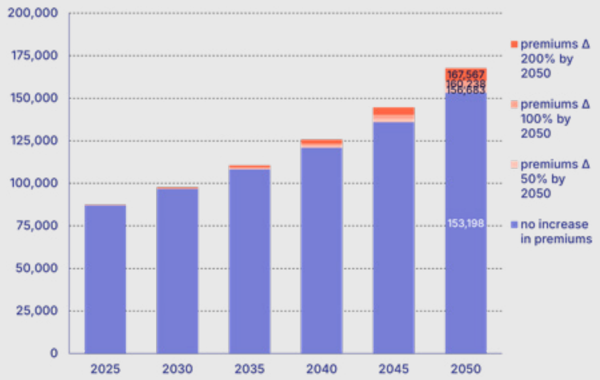
Philippines — **Projected GDP**
at different levels of insurance premiums (in USD billions)



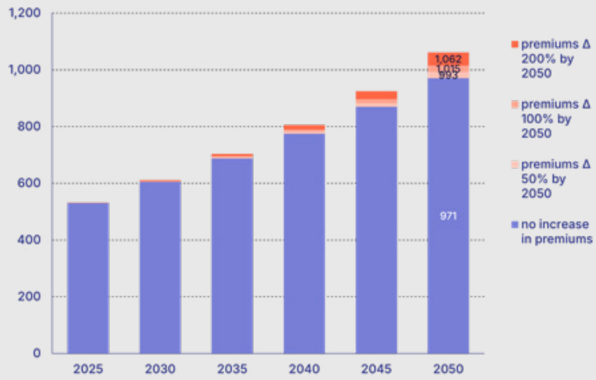
8 Projections are taken from the Prudential plc report, *"Beyond Coverage: The Social and Economic Impact of Insurance in ASEAN"*.

Singapore

Singapore — **Projected GDP per capita**
at different levels of insurance premiums (in USD)

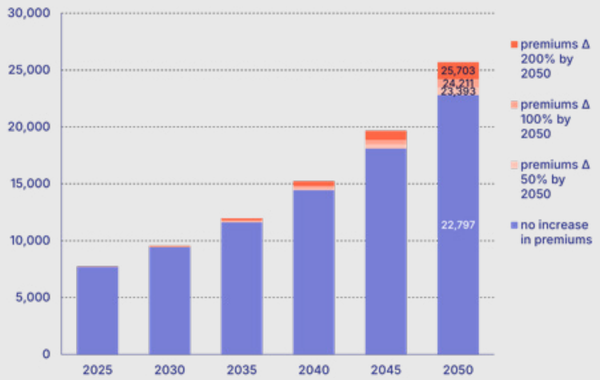


Singapore — **Projected GDP**
at different levels of insurance premiums (in USD billions)

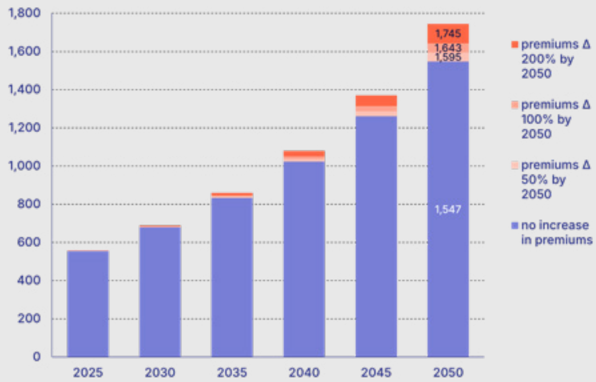


Thailand

Thailand — **Projected GDP per capita**
at different levels of insurance premiums (in USD)

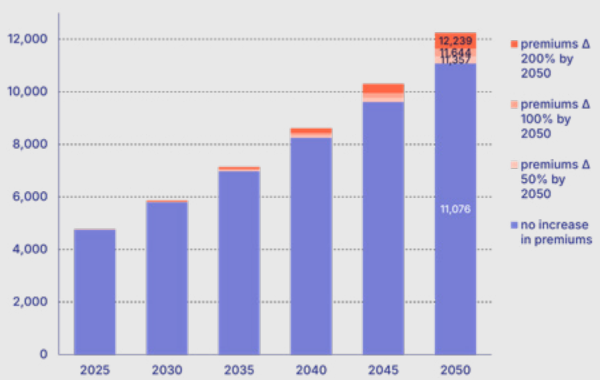


Thailand — **Projected GDP**
at different levels of insurance premiums (in USD billions)

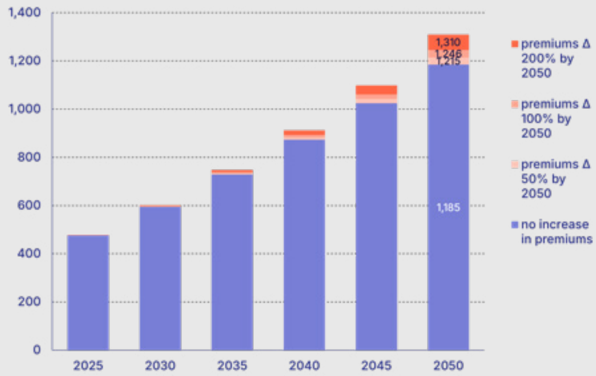


Vietnam

Vietnam — **Projected GDP per capita**
at different levels of insurance premiums (in USD)



Vietnam — **Projected GDP**
at different levels of insurance premiums (in USD billions)



Taken together, the ASEAN-6[9] tables tell a consistent story. Expanding non-life coverage, including health insurance, raises economic output. In the central scenario, a 50% rise in non-life coverage by 2050 lifts regional GDP by roughly 2.6% (about USD 285 billion) and increases GDP per capita across all markets. The largest percentage gain in GDP per capita is in Thailand (around 3.1%), while the larger absolute increases accrue to the larger economies. These effects flow mainly through higher labour force participation, as healthier individuals enter or remain in the workforce, and through incremental gains in human capital.

The cross-country patterns reflect structural differences. Economies with large working-age populations and lower baseline insurance penetration, such as Indonesia, Vietnam and the Philippines, see sizeable absolute GDP gains. More mature systems like Singapore and Malaysia register smaller percentage increases, but still benefit from meaningful per-capita improvements.

Across ASEAN-6, the data suggests that higher health insurance coverage expands output by mobilising more labour and reducing productivity losses from poor health. The gains for productivity are more modest and indirect, arising from gradual improvements in human capital. The policy implication is clear. Insurance should be seen not only as financial protection but as an economic enabler. Realising these gains will depend on improving affordability, maintaining predictability in costs and ensuring that insurance remains usable and reliable at the point of need. If these conditions are met, the projected growth dividends can be translated into tangible improvements in both economic performance and everyday wellbeing.

Consumer and Patient Insights

The economic contribution of insurance is one macro lens that can be used to view the industry. Another is to look at it from the ground up, from the patient and consumer viewpoint. This section illustrates how individuals view the insurance and healthcare system, from obtaining coverage to receiving care and making claims. In order to assess this narrative-driven perspective, EUABC drew primarily on data and insights from *"Patient voices: experience of healthcare access in Asia"* by Economist Impact, sponsored by Prudential. This report explores experiences accessing primary, secondary and tertiary care in Hong Kong (used as a comparator for ASEAN), Indonesia, Malaysia and Singapore. It draws on a survey of 4,203 people. This perspective is useful as a tool to assess the policy environment by highlighting real world challenges and expectations.

The rapid growth of Asian economies in recent decades has brought significant improvements in quality of life. In healthcare, these gains are reflected in growing access to medical services and in outcomes such as increased life expectancy. But Asia's healthcare systems are struggling with ageing populations and an increase in chronic diseases. Even with improved access, care is by no means seamless or problem-free.

The markets assessed in "Patient voices: experience of healthcare access in Asia" may have different healthcare systems, but all have seen significant improvements in key healthcare indicators in recent decades. For example, universal health coverage (UHC) index scores increased markedly in Indonesia, Malaysia and Singapore between 2000 and 2015 before flattening out. The index, created

9 Data tables are in the annex.

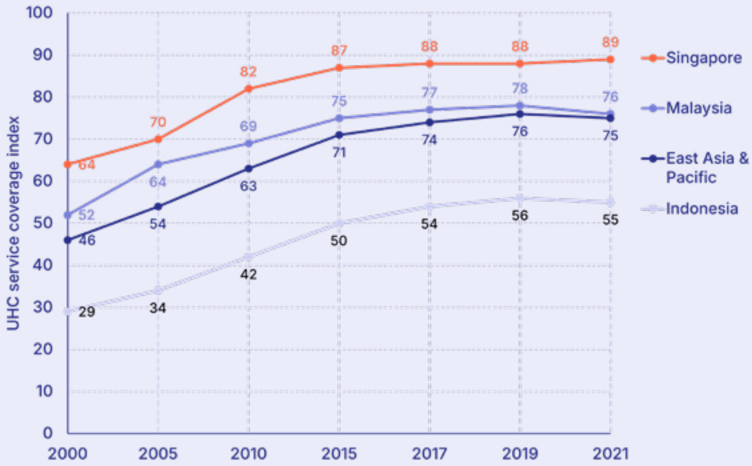
by the World Health Organization (WHO) and the World Bank, measures countries' progress in expanding their populations' access to essential health services. It tracks indicators of care for a range of conditions as well as hospital bed density and size of the health workforce. These improvements are likely to have contributed to longer life spans. Between 2000 and 2023, average life expectancy increased by five years in Indonesia and Singapore and four years in Hong Kong and Malaysia.

Affordable care is now widely available in all four markets, whether in the form of publicly funded medical services or national health insurance schemes. In Hong Kong and Malaysia, tax-funded services are universally available for primary, specialist and hospital care. Singapore combines a mandatory universal insurance scheme funded through individual savings with subsidised care for low-income residents. Indonesia's social insurance scheme, Jaminan Kesehatan Nasional (JKN), was introduced in 2014 and covers care for 98% of the country's population.

In all four markets, public systems co-exist with privately funded care, including those paid by personal health insurance, employer-funded insurance and out-of-pocket payments. Patients face uncertainty in navigating complex systems that combine public and private services, encountering distinct challenges in each.

Asia's improving UHC service coverage index

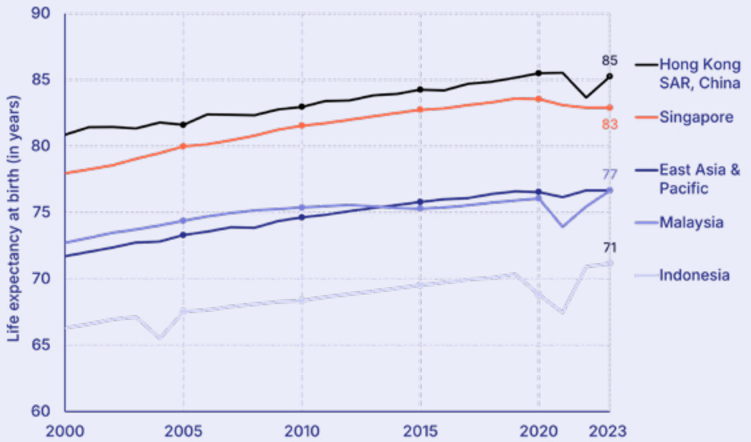
2000–2021



Source: UHC Service Coverage Index. World Bank.
The index compares 194 countries against indicators relating to reproductive, newborn, maternal and child health; infectious diseases; noncommunicable diseases; and service capacity and access under the UN's Sustainable Development Goal 3.8.1.

Asia's longer life spans

Life expectancy at birth (in years), 2000–2023



Source: World Development Indicators. World Bank.

Overall, most respondents are positive about their experiences. But satisfaction levels vary widely across the four markets. Many people are confused when trying to use complex systems that combine public and private services and can be surprised by the costs. The severity of these challenges also varies by age and income.

The survey respondents make clear that they want minimal disruption to their daily lives, suggesting a desire for seamless, hassle-free healthcare experiences. That means care should be affordable, the information and advice patients receive should be trustworthy and clear, systems should be easy to navigate, and support must be available when needed. This demand for seamless healthcare is only set to increase. Younger patients are less tolerant of shortcomings: Generation Z respondents (born between 1997 and 2006) are more than twice as likely as other age groups to complain about appointment systems, care quality and feeling ignored.

Patients satisfied, with caveats

Most survey respondents offer a positive assessment of the healthcare services they use. Overall, 77% express satisfaction with the quality of care they have received in the past year, and 74% say the same about how well their medical concerns have been addressed.

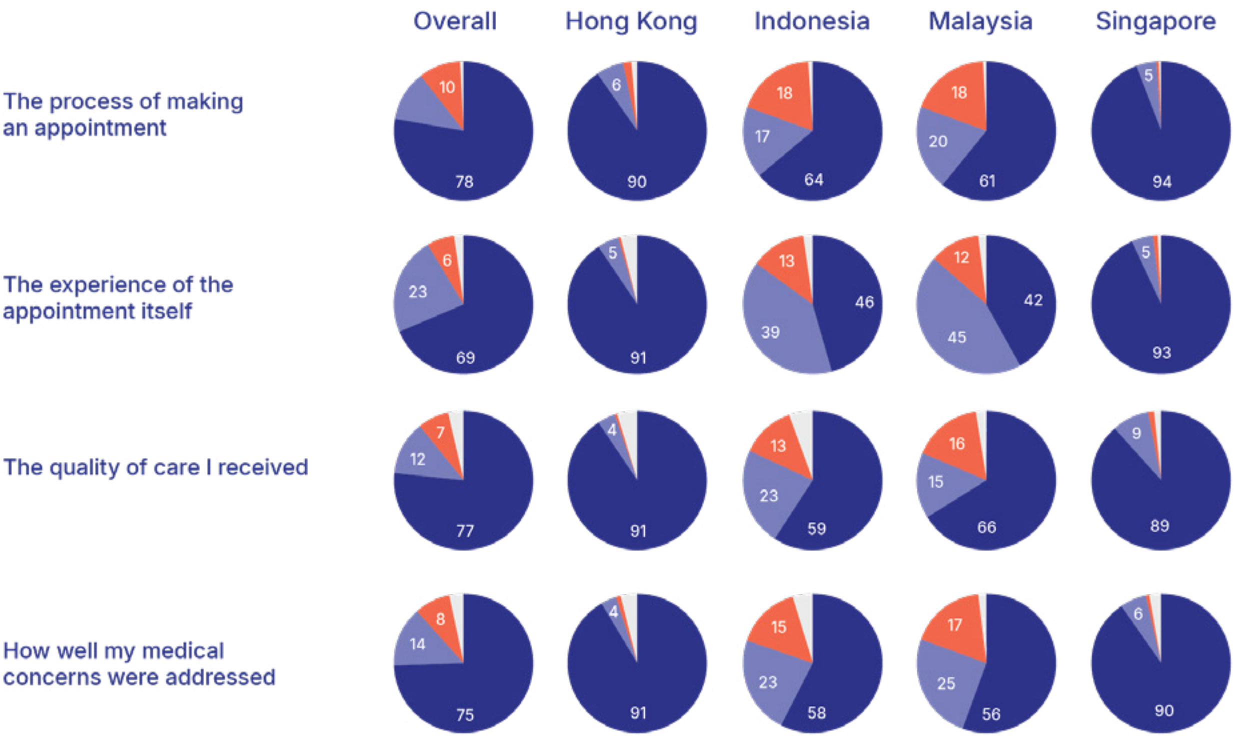
But the headline numbers mask the sharp regional contrast. Respondents in Indonesia and Malaysia are considerably less upbeat than those in Hong Kong and Singapore. And while 61% of respondents overall say they have plenty of healthcare options near where they live, 39% of Indonesians and 47% of Malaysians sometimes struggle to find the services they need.

Analysis also reveals different perceptions of healthcare accessibility, affordability and quality by income level and age group. Cost concerns are especially pronounced among higher income respondents and the youngest group, Gen Z, are more dissatisfied with aspects of their healthcare experience than older generations.

Patient satisfaction with various aspects of medical services, by market

% responding (respondents could select a single response). *Numbers have been rounded for ease of interpretation

▪ Dissatisfied ▪ Neutral ▪ Satisfied ▪ Don't Know



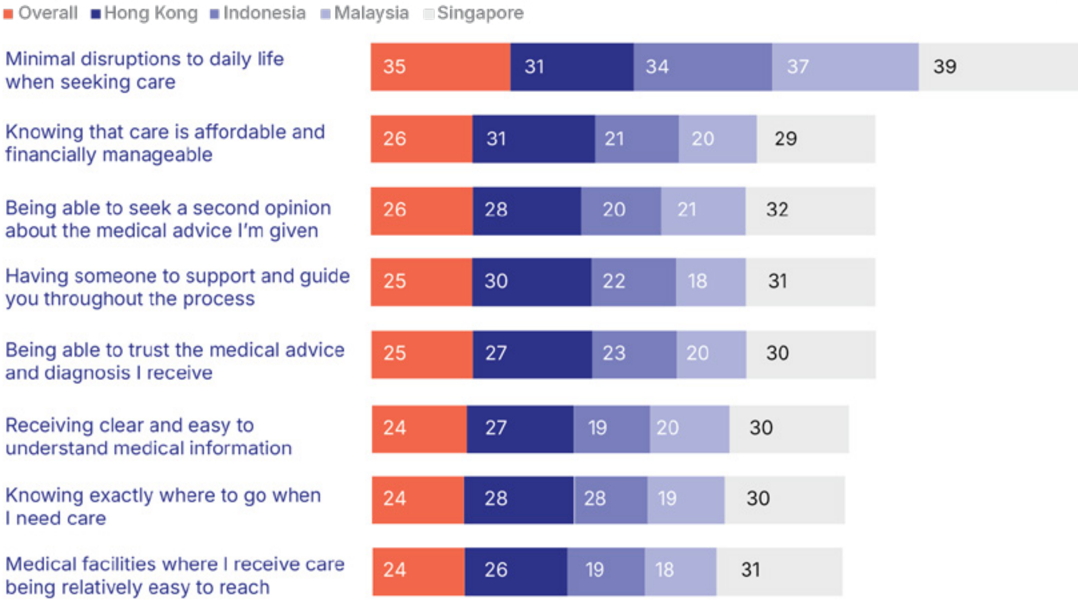
*4,203 adults surveyed (1,153 from Hong Kong, 1,006 from Indonesia, 1,020 from Malaysia and 1,024 from Singapore), April-May 2025

Source: Economist Impact, 2025.

Confidence-building factors, by market

Factors that offer the greatest sense of support, confidence and peace of mind when seeking medical care

% responding (respondents could select up to three responses). *Numbers have been rounded for ease of interpretation



*4,203 adults surveyed (1,153 from Hong Kong, 1,006 from Indonesia, 1,020 from Malaysia and 1,024 from Singapore), April-May 2025

Source: Economist Impact, 2025.

Other factors also affect people's confidence in using healthcare systems. Many want care that disrupts daily life as little as possible. More than one-third (35%) say minimal disruption to daily life gives them "peace of mind" when seeking care. Patients prioritise convenience, quick recovery and maintaining their personal and professional routines.

When this expectation is not perceived to be met, many are likely to delay care altogether.

Around 80% of respondents say they have delayed care sometimes or even several times, often for reasons linked to routine disruption such as family obligations, work responsibilities or avoiding loss of income.

Judging by the survey results, patients face barriers to obtaining healthcare at nearly every step of the way.

Barriers to better care

What patients find most challenging when accessing medical care

% responding (respondents could select up to three responses). *Numbers have been rounded for ease of interpretation.

20%	Unclear how service is paid (e.g. government programmes, health insurance, vouchers)	Cost
20%	Facilities hard to reach via current transport	Accessibility
19%	Lack of follow-up	Patient-provider interaction
19%	Challenging or confusing bureaucracy (e.g. dealing with paperwork, insurance, billing)	Cost
19%	Unexpected or hidden costs	Cost
18%	Confusing and complicated payment process (e.g. claims, reimbursements)	Cost
18%	Long waiting times for appointments and/or treatment	Accessibility
18%	Hard to find available healthcare providers nearby	Accessibility
17%	Concerns are often not heard or given proper attention	Patient-provider interaction
17%	Medical diagnosis or treatment plans are not explained clearly	Patient-provider interaction
17%	Healthcare providers not friendly or warm	Patient-provider interaction
16%	Medical processes not explained clearly	Patient-provider interaction

Market-specific top five barriers to better care

Hong Kong		Indonesia		Malaysia		Singapore	
25%	Facilities hard to reach via current transport	20%	Unclear how service is paid	20%	Unclear how service is paid	22%	Lack of follow-up
21%	Lack of follow-up	17%	Challenging bureaucracy	17%	Confusing payment process	22%	Unexpected or hidden costs
21%	Hard to find providers when needed	17%	Unexpected or hidden costs	17%	Long waiting times	22%	Facilities hard to reach via current transport
20%	Unclear how service is paid	17%	Long waiting times	17%	Lack of follow-up	22%	Challenging bureaucracy
20%	Challenging bureaucracy	16%	Diagnosis or treatment not explained clearly	17%	Facilities hard to reach via current transport	20%	Medical processes not explained clearly

Three common sources of frustration emerge where opportunities exist for health system leaders and policymakers to close the gap between expectations and experience:

System confusion. As healthcare systems have grown they have become more complex. Respondents complain about difficulty booking appointments and excessive paperwork. "Confusing bureaucracy" and complicated payment processes are among the most difficult challenges the respondents face. More than half (55%) often don't know where to access care when health concerns arise. This makes it harder to navigate the system confidently—and helps to explain why around a quarter (and nearly 30% of high-income patients, who typically have better access) say they need guidance during the care-seeking process.

Cost shocks. The respondents prioritise the affordability of medical care. But they also value cost predictability and dislike surprises in the charges they pay. Hidden or unexpected costs cause significant pain. One in three say the cost of healthcare they received in the past year was higher than expected. While formal mechanisms, such as government-subsidised care or insurance, are commonly used, they cannot always shield patients from such shocks. This helps explain why, when faced with unexpected costs they cannot afford, nearly four in ten turn to informal safety nets: loans, family or crowdfunding. Others delay or avoid care altogether.

Information gaps. More than half (55%) of respondents say they often lack the right information to make decisions about their treatment. Collectively, 38% of respondents first use digital tools—including artificial intelligence (AI)—for treatment guidance, more than the 28% who turn to doctors. This shift to digital tools reflects a growing need to supplement—or, in some cases, substitute—advice from clinicians, as patients attempt to fill gaps in information.

Confusion, cost shocks and inadequate information lead to patients delaying care or seeking workarounds. Closing these gaps can build trust, reduce delays, improve outcomes and ease pressure on overstretched services. For policymakers, payers (including health insurers) and providers, tackling these pain points is essential to create more resilient, patient-centred systems that meet the rising expectations of the growing and ageing populations in the four selected markets.

Four areas where healthcare stakeholders can act to improve the patient journey:

System navigation

Public-health education should go beyond disease awareness to encompass system awareness. Government health authorities, non-governmental organisations and educational institutions should help people understand how healthcare works—how to book care, what to expect and how to ask the right questions.

Digital empowerment

Healthcare authorities and providers can build on people's growing trust in digital sources of health information to create online platforms for shared decision-making. Such platforms can facilitate communication between patients and doctors and the provision of information about treatment plans. But care must be taken to make such tools as user friendly as possible to accommodate the less digitally savvy.

Cost transparency

Healthcare pricing must be made more predictable and understandable. Patients need clear, upfront information about what care will cost, what's covered by government and private health insurance and what out-of-pocket costs to expect. This is especially true in mixed public–private systems. Health ministries and other healthcare authorities need to encourage, or mandate, transparency from care providers and insurers.

Patient-centred care

Healthcare authorities and providers should design care systems around patient lifestyles, not just clinical protocols. This means shorter wait times, digital consultations, integrated services (such as diagnostics and drug prescriptions in one visit), home or near-home care delivery, and streamlined scheduling and administration.

5
Policy Recommendations: Building Inclusive, Sustainable and Customer-Centric Coverage

Insurance in ASEAN is more than a safety net. It is a lever for economic participation, resilience and inclusive growth. The economic analysis across ASEAN-6 shows that higher health coverage expands output by mobilising labour and strengthening human capital, while the analysis on patient insights illustrates where there are points in the patient journey that can be improved through policy changes. To unlock these gains, governments should adopt policies that both extend the breadth of coverage and improve the depth of protection. The priorities can be grouped into system-level enablers and service-level standards, ensuring that insurance works both at the macro level and at the point of care.

System-Level Enablers Focused on Economic Broadening

Short-Term Priorities

Expand coverage to the uninsured
through targeted subsidies for low-income households and incentives for enrolment in rural and informal sectors. Mobile platforms and digital ID systems can reduce barriers to enrolment and claims.

Enhance affordability and predictability
by introducing fee benchmarks and negotiating or regulating costs of common medical procedures so that insurers can pre-price benefits and patients can anticipate out of-pocket costs. This ensures that insurance payouts go further and households are shielded from unexpected expenses.

Guarantee essential benefits
by enforcing minimum coverage standards that include preventive and primary care. This reduces out-of-pocket burdens and helps prevent minor health issues from becoming catastrophic costs.

Expand coverage to evidence-based self-care interventions[10] and products
through access to evidence-based self-care solutions, including over-the-counter (OTC) medicines and preventive products. Covering such interventions under health insurance programmes can reduce unnecessary healthcare visits, lower system strain, and promote early disease prevention. According to the Global Self-Care Federation, evidence-based self-care in East Asia and the Pacific yields over USD 30 billion in annual health system savings and substantial productivity gains.[11]

Support vulnerable groups during transition periods
by offering temporary premium support or cost-sharing arrangements during times of economic stress, such as pandemics or financial downturns.

10 Evidence-based self-care refers to practices supported by scientific research that improve mental and physical well-being.

11 Global Self-Care Federation, Socio-Economic Research Report, 2022. https://www.selfcarefederation.org/sites/default/files/media/documents/2022-08/GSCF%20Socio-Economic%20Research%20Report%2028072022.pdf

Long-Term Reforms

Build sustainable financing models
by aligning premium pricing with demographic and medical cost trends, while using risk pooling and reinsurance mechanisms to keep coverage affordable.

Strengthen public-private partnerships
to expand infrastructure, improve service delivery and create inclusive insurance solutions for underserved groups.

Invest in insurance literacy
through public education campaigns that explain the value of coverage, the claims process and the role of insurance in protecting households from shocks.

Develop resilient industry ecosystems
by encouraging insurtech, interoperable health data systems and regulatory sandboxes that allow innovation while safeguarding consumer protection.

Create regional cooperation frameworks
to share best practices, harmonise standards and reduce regulatory fragmentation across ASEAN, helping insurers scale coverage efficiently.

Service-Level Standards: Customer-Centred Insurance

Unlocking the growth potential of insurance in ASEAN requires not only more policies sold but also a better experience for those who hold them. The survey data reveal that confusion, hidden costs and sub-optimal service design prevent people from getting the care they need with confidence. This calls for a policy agenda focused on how protection is delivered at the point of need.

Enhance accessibility and customer experience

- **Referral pathways** can be made clearer. Regulators and insurers should provide digital triage tools that guide patients to the right entry point in the health system.
- **Digital-first enrolment and claims** can be promoted. Rules should promote mobile claim submission, real-time status tracking and standardised turnaround times.
- **Simplified paperwork.** "One patient, one form" standards should be adopted, with clinics transmitting claims directly to insurers.

Build trust and empower customers

- **Shared decision-making platforms** that involve customers can help. Develop certified tools that combine clinical notes with insurance coverage details.
- **Patient navigation support.** Provide case managers or digital concierge services to guide customers through fragmented systems.

Safeguard long-term sustainability through customer-centred design

- **Fraud and waste reduction can be reduced.** Smart use of technology can protect patients and providers. Applying technology such as AI to claims and treatment data can flag unnecessary or duplicative procedures, reduce fraud and cut waste, making premiums more affordable and freeing up resources. For customers, this could mean fewer cost shocks, clearer treatment pathways and greater trust that the care they receive is necessary, transparent and in their best interest.
- **Trust in AI** is essential when designing systems and policies. Stakeholders should recognise that many customers remain sceptical about AI's ability to understand their personal needs. Building confidence will require a careful balance, which combines AI driven efficiency with human oversight, clear communication and safeguards that keep customer wellbeing at the centre.
- **Promote health and wellbeing** by integrating preventive care and chronic disease management into benefit packages, supported by fiscal incentives for both providers and insurers.

6

Rethinking Insurance & Building Resilience

Insurance is part of the social infrastructure that enables households, businesses and governments to withstand shocks and invest with confidence. At its best, it prevents families from falling into poverty, allows children to stay in school, supports healthier and more productive workers, and underpins investment in resilient infrastructure.

Resilience is not measured only in GDP figures. It is lived in patient journeys. Surveys show that more than half of people often do not know where to seek care, one in three encounter costs higher than expected, and many feel they lack trustworthy information or empathy from providers.

Younger generations are vocal about their dissatisfaction and increasingly turn to digital platforms for guidance. Unless these gaps are closed, the promise of insurance as an engine of growth will remain unfulfilled.

The path forward is twofold: continue to expand coverage and strengthen the macroeconomic role of insurance, while ensuring protection is experienced as reliable, transparent and seamless at the point of need. Only by bridging economic potential and human experience can insurance in ASEAN become both a growth driver and a trusted social contract.

Annex

Table: Projected GDP & GDP per capita of the ASEAN-6 at different levels of insurance premiums

	2025	2030	2035	2040	2045	2050	% increase from baseline
Indonesia							
GDP per capita (in USD)							
baseline: premiums unchanged	5,405	6,547	7,820	9,243	10,854	12,697	-
premiums Δ 50% by 2050	5,408	6,565	7,868	9,346	11,043	13,018	2.5%
premiums Δ 100% by 2050	5,411	6,583	7,917	9,450	11,235	13,347	5.1%
premiums Δ 200% by 2050	5,416	6,619	8,015	9,659	11,628	14,027	10.5%
GDP (in USD billions)							
baseline: premiums unchanged	1,524	1,913	2,353	2,849	3,404	4,028	-
premiums Δ 50% by 2050	1,525	1,918	2,367	2,880	3,464	4,130	2.5%
premiums Δ 100% by 2050	1,526	1,923	2,382	2,912	3,524	4,234	5.1%
premiums Δ 200% by 2050	1,527	1,934	2,412	2,977	3,647	4,450	10.5%
Malaysia							
GDP per capita (in USD)							
baseline: premiums unchanged	13,222	15,650	18,564	22,039	26,090	30,644	-
premiums Δ 50% by 2050	13,228	15,687	18,664	22,254	26,494	31,340	2.3%
premiums Δ 100% by 2050	13,234	15,723	18,765	22,471	26,903	32,050	4.6%
premiums Δ 200% by 2050	13,246	15,797	18,967	22,909	27,738	33,512	9.4%
GDP (in USD billions)							
baseline: premiums unchanged	463	574	707	866	1,050	1,257	-
premiums Δ 50% by 2050	463	576	711	874	1,066	1,286	2.3%
premiums Δ 100% by 2050	464	577	715	883	1,083	1,315	4.6%
premiums Δ 200% by 2050	464	580	723	900	1,116	1,375	9.4%
Philippines							
GDP per capita (in USD)							
baseline: premiums unchanged	4,007	5,026	6,276	7,824	9,727	12,058	-
premiums Δ 50% by 2050	4,010	5,042	6,322	7,924	9,922	12,407	2.9%
premiums Δ 100% by 2050	4,012	5,058	6,367	8,026	10,121	12,765	5.9%
premiums Δ 200% by 2050	4,017	5,091	6,460	8,231	10,527	13,508	12.0%
GDP (in USD billions)							
baseline: premiums unchanged	484	651	863	1,135	1,476	1,904	-
premiums Δ 50% by 2050	485	653	870	1,149	1,506	1,959	2.9%
premiums Δ 100% by 2050	485	655	876	1,164	1,536	2,015	5.9%
premiums Δ 200% by 2050	486	659	889	1,194	1,598	2,133	12.0%

Table: Projected GDP & GDP per capita of the ASEAN-6 at different levels of insurance premiums

	2025	2030	2035	2040	2045	2050	% increase from baseline
Singapore							
GDP per capita (in USD)							
baseline: premiums unchanged	87,181	96,753	108,203	120,949	136,004	153,198	-
premiums Δ 50% by 2050	87,221	96,982	108,795	122,138	138,121	156,683	2.3%
premiums Δ 100% by 2050	87,262	97,212	109,388	123,337	140,265	160,238	4.6%
premiums Δ 200% by 2050	87,342	97,673	110,581	125,760	144,639	167,567	9.4%
GDP (in USD billions)							
baseline: premiums unchanged	531	605	688	775	870	971	-
premiums Δ 50% by 2050	531	606	692	783	883	993	2.3%
premiums Δ 100% by 2050	531	608	696	790	897	1,015	4.6%
premiums Δ 200% by 2050	532	611	704	806	925	1,062	9.4%
Thailand							
GDP per capita (in USD)							
baseline: premiums unchanged	7,715	9,442	11,618	14,436	18,108	22,797	-
premiums Δ 50% by 2050	7,720	9,474	11,705	14,630	18,490	23,494	3.1%
premiums Δ 100% by 2050	7,726	9,505	11,793	14,826	18,878	24,211	6.2%
premiums Δ 200% by 2050	7,736	9,567	11,970	15,223	19,677	25,703	12.7%
GDP (in USD billions)							
baseline: premiums unchanged	555	680	833	1,024	1,261	1,547	-
premiums Δ 50% by 2050	556	683	840	1,037	1,287	1,595	3.1%
premiums Δ 100% by 2050	556	685	846	1,051	1,314	1,643	6.2%
premiums Δ 200% by 2050	557	689	859	1,080	1,370	1,745	12.7%
Vietnam							
GDP per capita (in USD)							
baseline: premiums unchanged	4,753	5,793	6,972	8,246	9,612	11,076	-
premiums Δ 50% by 2050	4,755	5,809	7,014	8,337	9,779	11,357	2.5%
premiums Δ 100% by 2050	4,758	5,824	7,057	8,429	9,949	11,644	5.1%
premiums Δ 200% by 2050	4,763	5,855	7,143	8,614	10,296	12,239	10.5%
GDP (in USD billions)							
baseline: premiums unchanged	476	595	729	873	1,025	1,185	-
premiums Δ 50% by 2050	476	597	734	883	1,043	1,215	2.5%
premiums Δ 100% by 2050	476	598	738	893	1,061	1,246	5.1%
premiums Δ 200% by 2050	477	601	747	912	1,098	1,310	10.5%

About the EU-ASEAN Business Council

The EU-ASEAN Business Council (EU-ABC) is the primary voice for European business within the ASEAN region. Recognised by both the European Commission and the ASEAN Secretariat, and accredited under Annex 2 of the ASEAN Charter, the EU-ABC serves as an independent body committed to promoting European business interests and driving policy and regulatory changes that enhance trade and investment between Europe and ASEAN.

The EU-ABC is dedicated to advancing the interests of its members through strategic advocacy initiatives that cover various sectors and topics. Our mission is to influence policy and regulatory environments to foster a sustainable and competitive business landscape in the ASEAN region.

The overarching objective of the EU-ABC is to promote changes in policies, rules and regulations so that European businesses can more easily invest and develop their businesses in the region to the benefit of the local economies and populations as well as their own shareholders.

For more information, please visit www.eu-asean.eu.

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