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APAC: A reinsurer's plan to tackle ageing through strategic partnerships

APAC's diverse economies face a common challenge: a rapidly ageing population. To tackle this challenge, **PartnerRe** is stepping up as a long-term partner to insurers to provide expertise, risk capacity and tailored solutions to help the elderly population improve access to healthcare protection. We spoke with **Mr John Mok** for insights.

By Sarah Si

The APAC region presents immense diversity – spanning East Asia, North Asia, Southeast Asia, South Asia, and Oceania.

"Even within these subregions, each country is unique, presenting its own demographic profile, cultural norms and socioeconomics," said PartnerRe CEO Life and Health APAC & EMELA John Mok.

"Each offers distinct challenges and opportunities shaped by the maturity of the industry, availability and strength of social healthcare support, infrastructure and regulatory environment."

Despite these differences between countries, Mr Mok highlighted a common and critical challenge the region is facing: the rapidly growing population aged 65 and above. He also noted that the extent of ageing in the region varied widely; some societies are already superaged, while others are approaching that threshold, or healthily ageing.

On the other hand, he also pointed out that many are navigating ageing alongside rising disease burdens in healthcare systems under increasing economic pressure, which highlights the role of private insurance to provide solutions.

Ageing in APAC

In mature insurance markets like Japan, South Korea and Taiwan, there are advanced social security systems, and private insurance products targeting the elderly, such as coverage for dementia and long-term nursing care, Mr Mok pointed out.

In contrast, he highlighted emerging economies like Thailand face a dual challenge: a rapidly ageing population, and the need to invest in social and care infrastructure.

More affluent economies such as Hong Kong and Singapore present yet another contrasting dynamic, he said, pointing out that in Singapore, the main challenge and opportunity is maximising mandatory savings schemes that create a structured foundation where insurers can offer complementary and additional protection, such as critical illness products.

Conversely, Mr Mok stated that Hong Kong's strained public healthcare system has led to an increasing reliance on private medical insurance, particularly among working adults who are part of the 'sandwich generation', who are simultaneously supporting ageing parents and raising children.

Insurance for a changing landscape

According to Mr Mok, the overarching challenge in ageing societies is the compounding pressure of a shrinking base of working-age individuals providing funding, combined with longer lives at older ages translating into higher prevalence of non-communicable diseases requiring sustained care and support.

Yet, he noted many health systems are not equipped to meet this demand, as they are constrained by limited physical infrastructure such as hospital beds and facilities, and a shortage of human resources including doctors and nurses.

"This imbalance underscores the critical role of private insurance in developing tailored solutions that help bridge these gaps and support the growing elderly segment," said Mr Mok.

A call to action

As APAC's ageing population continues to reshape the insurance landscape, the industry is facing a pivotal moment, according to Mr Mok.

He said, "The challenge is not only to adapt to demographic shifts, but to anticipate them, designing solutions that are inclusive, sustainable and proactive to evolving health and care needs."

Mr Mok also said PartnerRe is "committed to being more than a reinsurer."

"The company aims to serve as a strategic partner to insurers navigating the ageing demographic, combining global insight, data-driven capabilities and a long-term partnership approach to co-develop sustainable solutions," he said.

"Ageing is not just a demographic trend. It is a profound societal shift that demands innovation, collaboration and long-term thinking."

He said, "At PartnerRe, we are committed to working hand-in-hand with our partners to develop and promote insurance products that not only deliver meaningful value to ageing individuals but are also designed to improve access for coverage, even as their health needs evolve."

Life insurers in South Korea to stay firm on resilient underwriting and investment results

The outlook for South Korea's life insurance sector remains stable, driven by strong profitability and consistent asset quality. Although stricter capital regulations are expected to pressure regulatory solvency ratios in the short term, they are set to deliver long-term advantages by improving risk assessment and management frameworks, as well as boosting the quality of capital.

By Reva Ganesan

South Korea's life insurance industry is expected to demonstrate stable credit fundamentals over the next 12-18 months, supported by resilient underwriting and investment results as well as steady asset quality, Moody's Ratings analyst Gil Jo said.

He said insurers have been shifting their product sales focus to health protection products over the past few years, which yield relatively high profit margins compared to other product types such as whole life and savings-type products.

Alongside falling interest rates, Mr Jo said these factors have put "mounting pressure on the profit margins of key products sold by insurers, creating a material challenge for their long-term underwriting profitability".

2024 net profits

For a perspective, the Korean life insurance market recorded a combined net profit of KRW5.6tn ($4bn) in 2024, a 7.1% increase from KRW5.3tn in 2023.

Mr Jo said that this was primarily driven by higher investment profits.

Net insurance profit, however, declined by 15.7% y-o-y, mainly due to intense sales competition and stricter regulations that weighed on their net underwriting results.

"The strengthened regulations and declining interest rates led to a 21.7% reduction in insurers' shareholders' equity. Meanwhile, net investment profit showed notable improvement in 2024, increasing by 80.9%, mainly thanks to favourable capital market conditions, steady interest income and lower finance costs," Mr Jo said.

K-ICS ratio drops sharply across the life sector

On a more challenging note, Mr Jo said most insurers faced a stark deterioration in their regulatory solvency in 2024.

The life insurance industry's average regulatory solvency ratio before applying the transitional measures, or Korea Insurance Capital Standards (K-ICS) ratio, stood at 183% at the end of 2024, a decline of around 26 percentage points compared to the end of 2023, he said.

This was primarily driven by strengthened capital regulations aimed at preventing the underestimation of underwriting risks and the overestimation of future insurance profits.

Mr Jo said insurers' regulatory solvency will remain under pressure over the next 12-18 months, considering the potential declines in interest rates and continuous regulatory strengthening of the discount rate which will persist in phases until 2027.

More tailored products for the younger gen

He said that insurers are increasingly introducing protection products covering long-term care, nursing, and treatments for critical illnesses such as cancer and dementia. These products have solid market demand, particularly due to ageing populations' rising concerns about their longevity risk.

"While these products garner steady demand, their competitive pricing and broader coverage may lead to increased loss development for insurers," he added.

Insurers benefit from elevated interest rates

Mr Jo also said that insurers' investment performance has been underpinned by stable recurring interest income in an elevated interest rate environment.

"Although new money yields from bonds will decline amid the potential rate cuts, overall bond portfolio yields will remain largely stable, bolstered by high-coupon long-term bonds acquired through proactive portfolio rebalancing during the past two to three years, where they have replaced short-term, low-yielding bonds with long-term, higher-yielding bonds," he said.

A good asset quality was also maintained as he said that the insurers' prudent asset allocation approach and prioritisation of high-quality long-term bonds have helped.

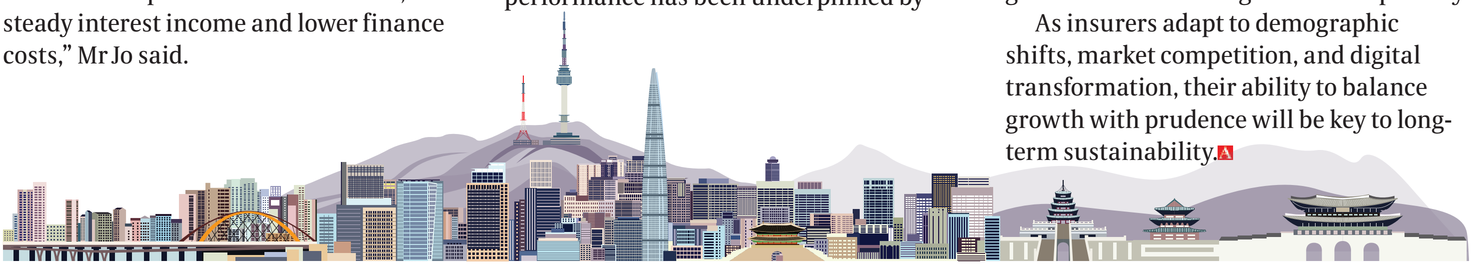
"As of the end of 2024, around 51% of the life industry's total investments were allocated to domestic bonds, mainly comprising long-term government bonds, up from 49% at the end of 2023. While insurers have incurred additional investment losses from their higher-risk assets in 2024, namely overseas commercial real estate (CRE) investments, these high-risk assets account for a small portion of their total invested assets," he said.

"As asset-liability duration management has become increasingly important for life insurers amid the ongoing extension of their liability duration, we expect insurers' primary investment focus will remain on high-quality long-term bonds over the next 12-18 months," he said.

Steering the sector toward greater financial strength

Conclusively, while tightened capital standards may continue to challenge solvency ratios in the near term, they are ultimately steering the sector toward greater financial strength and transparency.

As insurers adapt to demographic shifts, market competition, and digital transformation, their ability to balance growth with prudence will be key to long-term sustainability.



Agentic AI: Human in the middle

Agentic AI represents a new wave of intelligence for insurance, moving from automation to autonomy, and can help in tasks that range from dynamic underwriting to real-time claims orchestration.

By Anandi Iyer

Since the 1990s, insurers have leveraged AI for automation streamlining claims and underwriting processes. Over the past two decades, it has moved from relying on rules-based to machine learning-driven insights, culminating perhaps in the recent surge of generative AI to enhance customer interactions and decision making. However, agentic AI arguably represents the next wave of AI, a true transformation, not just an incremental improvement.

Flood risk as a use case

Celent senior analyst insurance Karun Arathil said floods present an ideal proving ground for agentic AI. They are geographically complex, require fast decision-making and expose insurers to both operational strain and reputational risk.

"In a flood event, an agentic AI system can immediately begin to analyse rainfall intensity, river levels and satellite imagery to identify at-risk policyholders. It can launch proactive communications, update exposure models and even begin assembling the data required for automated claims initiation – all without waiting for a formal notification of loss," Mr Arathil said.

"This kind of coordination across underwriting, claims and customer service has traditionally been impossible to manage manually at scale. But with autonomous agents embedded across business units, insurers can operate with something far more powerful than automation: orchestration," he said.

What makes agentic AI different

While conventional AI models typically assist with tasks like document classification or chatbot queries, agentic AI is goal-driven. It works toward business objectives, whether reducing loss ratios or speeding up claims resolution, by reasoning through complex scenarios and choosing actions dynamically.

He said agentic AI enables insurers to respond to catastrophes in real time by deploying specialised sub-agents – for underwriting, customer communication, and fraud detection – that work independently but share context and rules.

Unlike RPA, which is rigidly rules-based, agentic AI can assess situations and activate the right sub-agent. Compared to generative AI, which risks hallucinations, agentic AI incorporates logic, reasoning, and verification, making it more reliable for secure, enterprise-level decision-making.

Early signs of impact

The early promise of agentic AI is already showing through pilot deployments, said Mr Arathil.

He cited recent Celent research saying, "Insurers in the US expect the greatest benefits to emerge in claims processing (69%), underwriting (66%) and customer engagement (59%). Flood response scenarios are a natural extension of these capabilities."

While fully autonomous AI may still be years away from widespread use, these early-stage systems – often termed 'agents on rails' – are constrained by rules, approvals and oversight. Yet even within these bounds, they are already demonstrating value. This staged approach marks a transition from 'human in the loop' to 'human in the middle', a paradigm where AI performs the heavy lifting, but humans remain supervisory anchors.

Flood resilience in Asia and the Middle East

Mr Arathil said that the application of agentic AI takes on urgency in Asia and other parts of the world where flood risk is rising sharply but operational maturity varies widely.

In regions with fast-growing insurance penetration and digital infrastructure still in development, agentic AI may help insurers leapfrog legacy systems altogether.

For example, a Gulf-based insurer could use agentic systems to track real-time rainfall thresholds and link them to parametric triggers, enabling faster

payouts in flood-prone urban centres. In Southeast Asia, insurers might deploy multilingual AI agents to assist rural customers with claims filing during seasonal monsoons, reducing delays and alleviating pressure on overstretched call centres.

The way forward in these regions is to start with internal-facing use cases, such as claims triage, portfolio monitoring, exposure modelling, before moving toward fully autonomous customer-facing systems. It's not about replacing humans; it's about building adaptive layers of intelligence that support them.

Tipping points

Widespread adoption will depend not only on technological capability but also on trust, governance, and return on investment. The biggest barriers remain: fragmented legacy systems that make cross-functional coordination difficult; inconsistent data quality, especially in emerging markets; and customer unease with the idea of AI making claims or pricing decisions.

There is also concern that, like any digital system, agentic AI could be subverted for fraud – with malicious actors attempting to manipulate inputs or exploit AI behaviour.

Yet, the long-term direction is clear. As the industry's exposure to climate, cyber and systemic risks grow more complex, agentic AI offers something traditional systems cannot: adaptability at scale.

"For risks such as floods, this shift is not just about speed or efficiency. It's about resilience. The insurers who succeed will be those who invest not just in automation, but in adaptive intelligence, systems that can think, act and evolve in the face of a changing world," he said.

A grand return sparks a bold new vision

For its much-anticipated return to Korean soil after a 40-year absence, PIC 2025 reimagined its forward-looking agenda – covering capital management, growth strategies and regional regulatory insights, with discussions aimed at finding collaborative solutions.



















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