



GLOBEX UPDATE HEALTH & BENEFITS

Events, developments, and opportunities in the international marketplace.

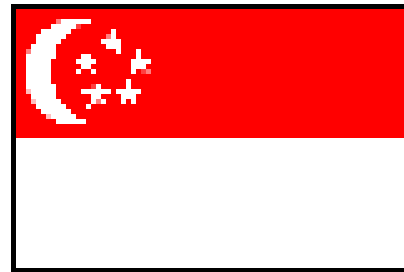
Europe to experience rise in medical costs



According to a most recent survey report, healthcare benefit cost growth increased from 8.2% in 2021 to 8.8% in 2022, with a projected increase to a global average of 10% in 2023. The average increases in Europe are expected to rise to 8.6% next year from 8% in 2022. Over the next three years, more than three-quarters (78%) of insurers expected higher or significantly higher increases, while UK private medical insurance (PMI) costs were expected to rise by 8.8% in 2023. According to the study, the leading driver of medical costs remains overuse of care (74%), which is caused by medical professionals recommending too many services or overprescribing, while 52% cite insured members' poor health habits. Half of those polled (50%) believed that underuse of preventive services was a significant cost driver, and that it had increased year on year, owing in part to a lack of medical care during the Covid-19 (Coronavirus) pandemic. Cancer, cardiovascular issues, and musculoskeletal issues were identified as the top three most expensive conditions, mirroring last year's findings. Musculoskeletal conditions ranked first in terms of claim incidence this year, after ranking fifth the previous year. Worldwide inflation and a rise in healthcare use in the aftermath of the pandemic are significant cost drivers on medical expenses around the world. Employers and insurers will need to devise strategies and solutions to mitigate and keep costs under control.

4-Day Work Week Gaining Traction in Singapore

Singapore's Minister of State for Manpower has been encouraging Singapore employers and employees to be open to flexible work arrangements, including four-day work weeks. While a four-day work week may work well for some employers and employees, the MOM is strongly advocating for employers and employees to be open to flexible work arrangements in all of their forms in order to identify and adopt those that best suit their unique business needs and the needs of the workers. Countries such as Ireland, Japan and Spain have begun piloting four-day work week while other countries, such as Belgium, allow employees to request a four-day work week, but with daily work hours extended to keep the total number of hours worked per week constant. So far, the results appear to be mixed with some of the key concerns being the impact of the reduced work week on productivity, business costs, as well as some employees expressing concern that their pay may be reduced as a result of fewer hours worked, and some may experience increased stress if they work more hours than usual in a day to complete their work. While productivity gains have been reported in some cases, they vary by industry and job type.



Some SMEs in Eastern Canada



According to a new survey, eight out of ten (80%) small and medium-sized employers in Eastern Canada do not provide employee benefits. The survey, which polled SMEs and SME workers in Ontario, Quebec, and Atlantic Canada, discovered that one-third (35%) of SMEs that do not currently offer benefits are at least somewhat interested in doing so in the future. According to the survey's authors, the primary driver is that 57% of small business owners believe it is too costly while another 21% do not believe their employees want them or believe it is not important to them, which is interesting given that the same study found that 98% of employees in Ontario believe benefits are an important part of their total rewards package. When it comes to negotiating job offers or retaining skilled labor, health benefits can be dealmakers or dealbreakers as younger workers are more likely to regard coverage for services such as mental health or physiotherapy as essential rather than optional. Having these health benefits is a relevant response to today's realities, allowing businesses to differentiate themselves when competing for skilled labor.

Recent Success Stories

- **Initiated Partner Desk engagement to help airline leasing company manage and control their employee benefits plans in six countries.**
- **Placed group expatriate medical policy for freight cargo company.**
- **Implemented local benefits coverage for investment firm operating in South Korea.**

Recruiting and retaining key talent around the world remains a formidable challenge for HR management. More and more, a company's success depends on the ability to offer a competitive benefits package while remaining within budget. Globex Partner Brokers can offer their clients access to a range of products, capabilities, and resources custom-tailored to helping multinationals optimize their employee benefits around the world. Contact any member of the Globex Health & Benefits Team to learn more.

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Globex International | 101 Maple Avenue, Chester, NJ 07930

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