



Institute
and Faculty
of Actuaries

Innovations from South Africa and the rest of the world

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15 May 2018



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Innovations from South Africa

Expertise
Sponsorship
Thought leadership
Progress
Community
Sessional Meetings
Education
Working parties
Volunteering
Research
Shaping the future
Networking
Professional support
Enterprise and risk
Learned society
Opportunity
International profile
Journals
Supporting

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INTRODUCTION

SCOR
The Art & Science of Risk

GDS

SCOR Global Distribution Solutions presents a single proposition with a mandate to invest further in customer-led distribution for insurers.

We use our unparalleled knowledge of insurers coupled with deep customer insights to develop and support distribution strategies that align internal operating effectiveness with superior customer experiences.

Operating business models from B2B, B2B2C and D2C, our distribution, marketing, underwriting, product and claims solutions are all supported by market-leading technology enablers, data analytics and financial solutions.

We operate throughout the value chain and in a diverse range of market segments, including Bancassurance, traditional Life & Health, Takaful, Banking and Affinity groups.

VeLOGICA

Velogica and its state-of-the-art global underwriting solutions suite

ReMark

ReMark, the world leader in alternative and direct distribution

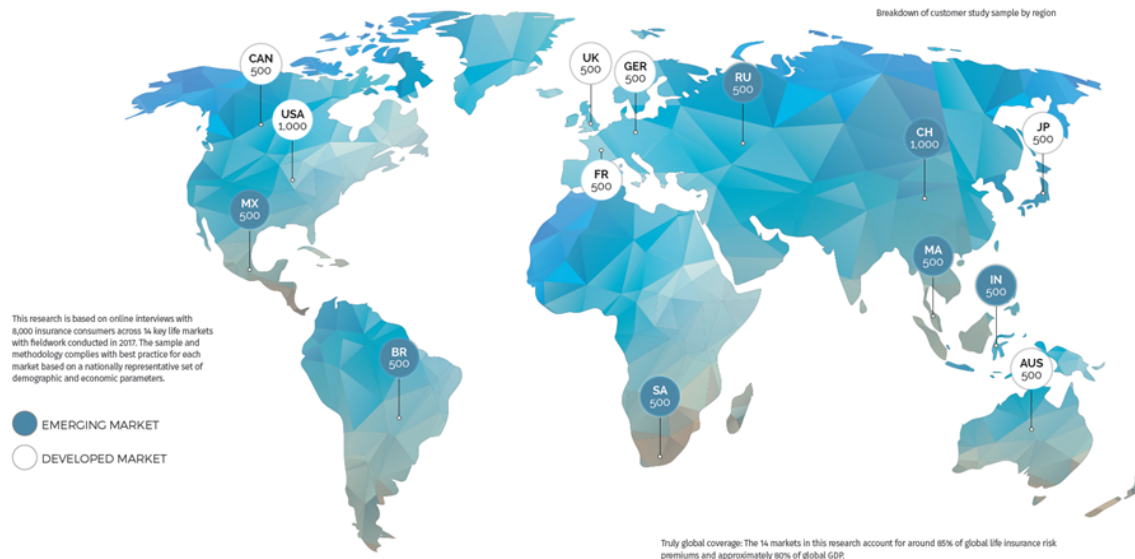
rehalto

Rehalto, European pioneers in workplace wellbeing

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ABOUT THIS RESEARCH



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Importance of Life Insurance

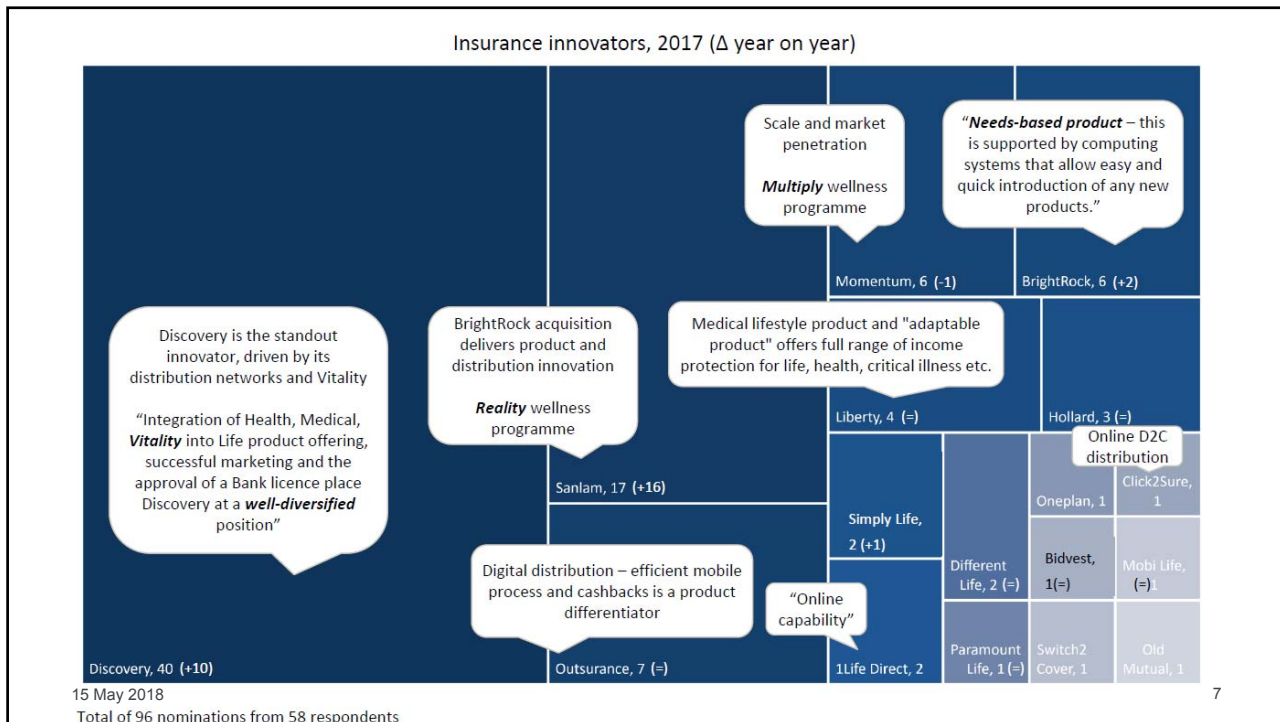
CONSIDER



QE2. Please rank the importance of the following items to you. Where 1 is most important and 6 is the least important.
Note 1: % of respondents rated each item as top 3 important factors.

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1 The Focus on Wellness Integration to Life Insurance

What is a Healthy Heart Score?

The Healthy Heart Score gives you an indication of how healthy your heart is. It predicts your risk of coronary heart disease (CHD) in the next 10 years.

The scores:

Green	Amber	Red
Low risk of heart disease compared to peers in the same age and gender group.	Moderate risk of heart disease compared to peers in the same age and gender group.	High risk of heart disease compared to peers in the same age and gender group.

Through the Active Integrator you can:

- Get an upfront premium discount of up to 15%
- Maintain your premium discount, based on your physical activity and the results of your Vitality Wellness Check
- Increase your cover each year at no additional premium through the Cover and Financial Integrators
- Accumulate up to 10% of your premiums every year through the PayBack benefit, which will be paid to you after five years.

Active Dayz™	Fitness Assessment	Fitness Discount
1-3	Poor	0%
4-6	Fair	2%
7-9	Acceptable	4%
10-12	Good	7.5%
13+	Excellent	10%

Multiply Status	Healthy Heart Score: Green	Healthy Heart Score: Amber	Healthy Heart Score: Red
Bronze	5%	0%	0%
Silver	10%	5%	0%
Gold	15%	5%	0%
Platinum	20%	10%	0%
Private Club	25%	15%	0%

- Green:** low risk of heart disease compared to peers in the same age and gender group.
- Amber:** moderate risk of heart disease compared to peers in the same age and gender group.
- Red:** high risk of heart disease compared to peers in the same age and gender group.

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1 The Focus on Wellness Integration to Life Insurance

- Wellness programs are arguably more developed in South Africa than any other market and this allows insurers to engage with their customers on a ongoing basis and demonstrate the tangible benefits of their products
- Historically they are used more to allow the super healthy lives get even cheaper premiums.
- Positive impacts on persistency provided customers stay committed.

Recent developments

- Focussing wellness on the more substandard lives as a way of offering enhanced cover but on the condition that health is managed and monitored effectively
- Using wellness to individualise group risk – members get rebates on contributions or a boost to retirement fund subject to ongoing health improvement



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1 Desired features of a loyalty program

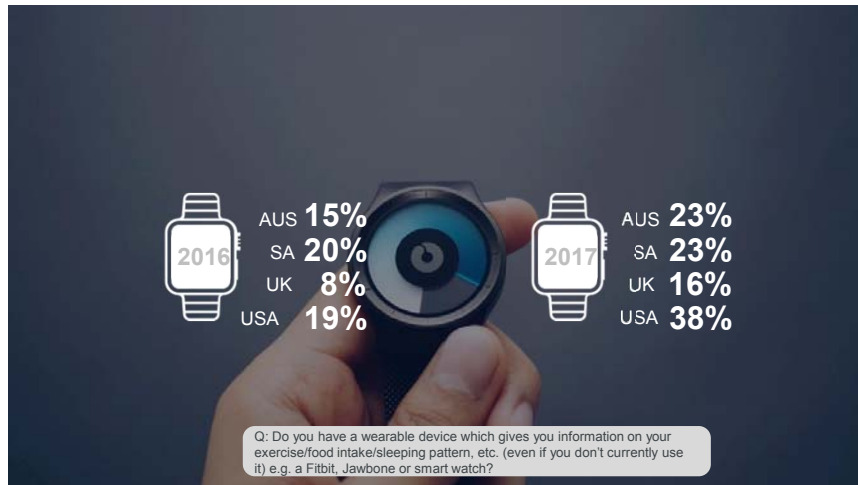
		AUS	SA	UK	USA
	Food shopping	1	1	1	1
	Healthy food	2	2	3	2
	Clothes shopping	3	3	2	3
	Plane tickets	4	6	5	6
	Cinema tickets	5	7	4	7
	Exercise / wellness supplements	6	5	6	4
	Gym membership	7	4	7	5

Q: Please rank the following rewards in terms of their attractiveness to you, where 1 is the most attractive.



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1 Wearable penetration



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2 Product Development

- Strong desire from South African market to avoid commoditized priced driven market as per UK
 - Insurers do not compete on price but on product which has resulted in INCREDIBLY complex offerings and so some easy benchmarking to be done to promote ideas for UK / Irish clients
 - Critical Illness products~200-250 conditions! UK~70 when I left
 - Disability a huge product here and there are some interesting CI/IP hybrids
 - A huge number of “general product” ideas
- The South African market has created successful propositions across all levels of socio demographics
 - HNW / Mass market and the poor levels of society - largely done by understanding what the **end customer wants** - arguably the UK has tried to sell an IFA/broker product through a variety of distributions and target markets
 - Funeral products are incredibly successful for example - FNB sells 65/70k policies per month. Aimed at low end of market but also offered at cash points!
 - Free airtime / transportation benefits / Inkombenefit / 48 hr claim turn around time



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BRIGHTROCK



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3 Cell Captives

- Cell Captives are commonly used in the SA market, primarily for alternative distribution. The main insurers all own Cell Captives
- If somebody comes up with a good idea for a new product or distribution then they can set up a cell with the cell captive
 - They write the business through the cell on the cell captive's license
 - A cell captive might have 15-20 cells.
 - The Cell captive is responsible for compliance and all the regulatory responsibilities.
 - The Cell will be capitalized by the cell owners and will take X% of the risk.
 - Reinsurers work closely with the Cell to develop products and provide financing needed.
- This is a relatively quick way to get a new concept of the ground a writing business which has led to a number of entrepreneurial start ups in the life insurance space

This is an excellent way to drive innovation in the market –the cell captive is branded separately to the large insurer and so there is comfort that the insurer's brand or existing distribution is not affected in any way which so often stifles alternative distribution developments



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A need for deeper Engagement enabled by Technology and Digitalization

Global trends

1. Increased adoption of Direct to Consumer models – facilitated by emergence of online brokers / advertisement – Targeting a new audience
2. Focus on “simplifying” the consumer purchase in Distribution, Underwriting and Claims – relying on data and technology
3. Increased focus on complimentary health offerings / bundling
4. Investment in innovation and insurtech
5. “Deep Web” of insurance



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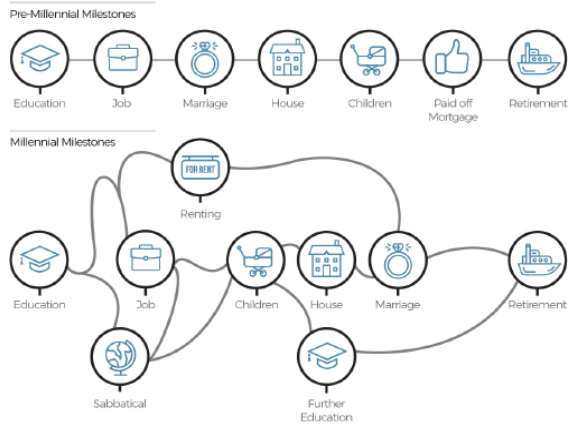
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Engagement shift = Distribution shift?

A change of attitude – The silent millennial

- Millennials have experienced much more diversified family structures than previous generations, and young consumers are more likely to define themselves through work rather than family ambitions.
- Changing employment patterns and the short-term economy do not help to foster long-term considerations amongst Generation Rent.
- As a consequence, trigger points are less discrete, more complex and of varying chronology which makes attitudinal data more important than ever.



Focus on Health

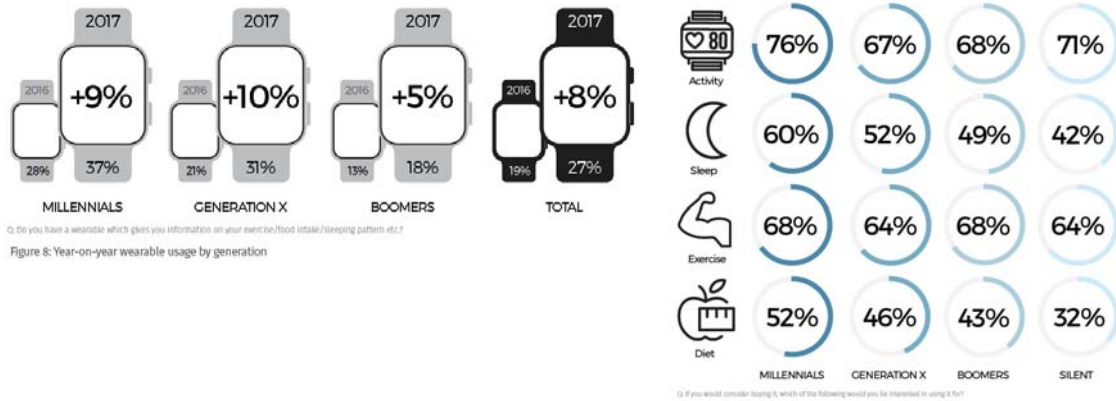
New segment of engaged buyers

Health is the new wealth. It is undeniable that health captures the contemporary consumer's attention regardless of generation. Health has become the contemporary asset worth protecting.

Adoption of wearable devices continues to grow among all generations and across all markets.

But wearables alone have little value. It all hinges on an encompassing proposition, a customer centric platform – and smarter analysis of the aggregated data.

Driving Customer Engagement – Wearables

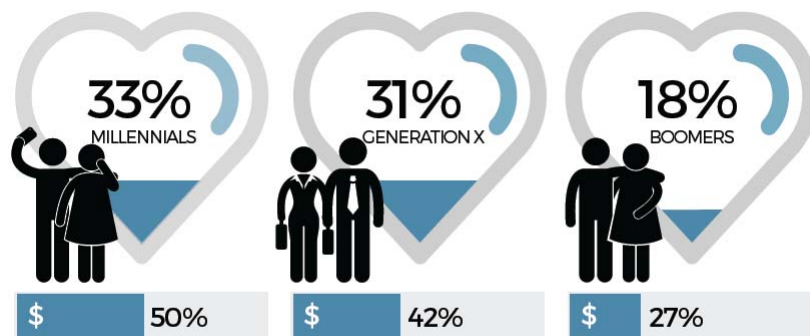


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Driving Customer Engagement – Wellness Platforms

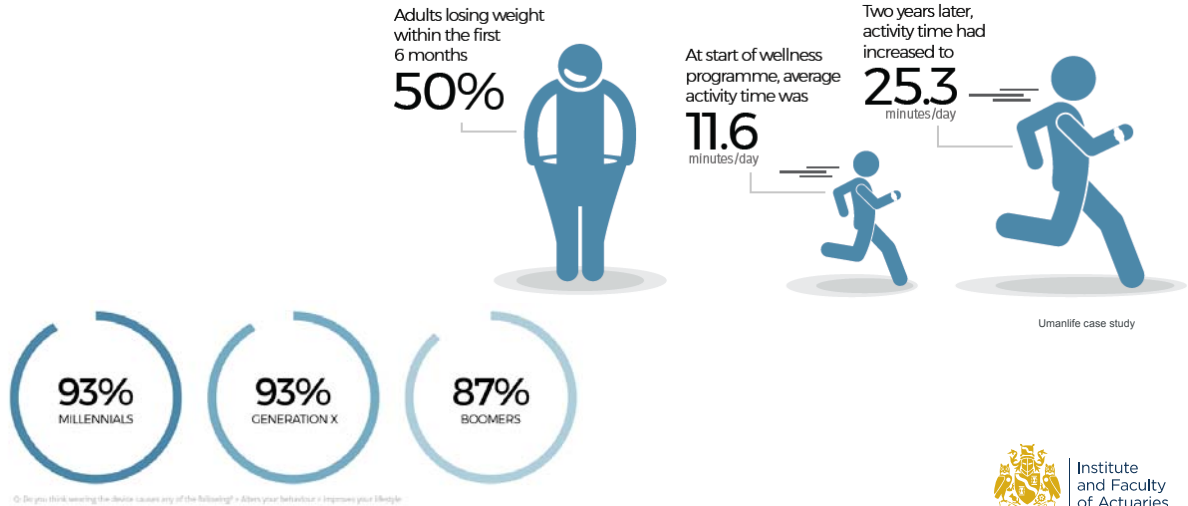


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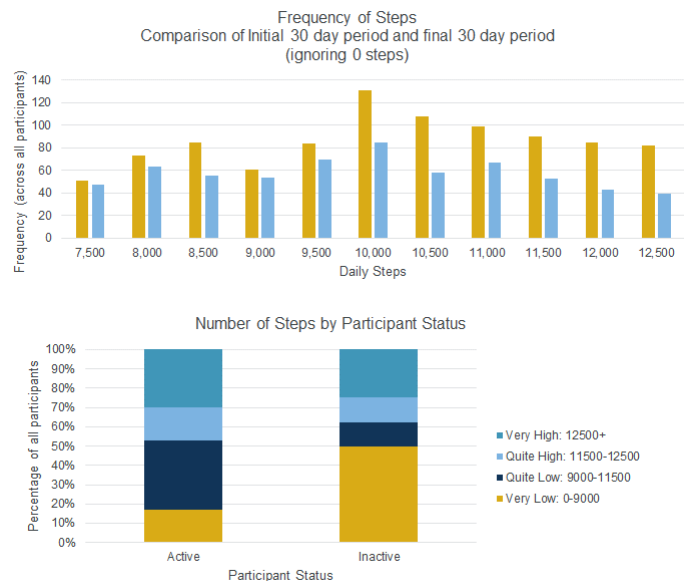
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Driving Customer Engagement – Wellness Platforms



SCOR Pilot



Zurich Ireland Wearables



GARMIN **ZURICH**

Join the Movement With Zurich.
Wearable Tech - Creating Tomorrow's Protection, Today

The pace of change with technology is breath-taking and every day brings new developments that makes yesterday look ancient. Industries are being transformed and the insurance industry is no different.

Now we are at the beginning of a new journey - one that you and your customers can help to shape. Here is a Step by Step Guide on the journey you and your customer will go through.

What does the pilot look like?

- To test the effectiveness of wearable devices, Zurich is running a pilot study in conjunction with Garmin, Health Watch and our Business, SCOR.
- Open to 500 Customers only signing up for Guaranteed Term Insurance.
- It will run for two years.
- We will offer a four-month cashback on the first year anniversary of their policy and a two-month cashback on the second year anniversary, as long as the customer meets certain criteria. See Terms & Conditions.
- It will be available to a specific number of brokers only. Zurich has gone through a screening process and picked just 100 brokers who we felt had good persistence.

How does the Customer avail of the offer?

Step 1	Step 2	Step 3	Step 4	Step 5
Broker introduces customer to offer	Customer completes healthscreen form and obtains consent form for life insurance policy	Broker submits policy online, including medical history and email address	As per usual the user is underwritten. If there are further requirements, these are sought and investigated	Policy is issued and Client receives any advice being offered early and goes through the premium

Claiming the Garmin vivomart HR device?

Step 1	Step 2	Step 3
Within 30 days of the receipt of the customer's first premium, the customer will be emailed. Please email with their unique link to the Garmin website.	Customer clicks link and goes to the Garmin shop.	The customer provides their address details and places their order. There may be additional personal information required from the shop at this stage.
Step 4	Step 5	Step 6
Customer receives their cashback and goes to their Garmin shop.	Cashback will be delivered to customer.	Customer must download the Garmin app and register. They will not be selected if they do not do so at the time of the offer.

Note: Health Watch will send a reminder email to any broker that around another order. Health Watch will have an expiry date to allow Zurich to use them with another offer.

What will we do with the Client Data?

Step 1	Step 2	Step 3
Client uploads their personal data through the Garmin app.	Health Watch will send a reminder to client of an agreed frequency. No personal information should be provided, such as name or email address.	SCOR and Zurich independently analyse customer data.
Step 4	Step 5	
As per usual of each 6 monthly period Zurich and SCOR will look to remove brokers and customers on their behalf for the pilot and their agencies are wearable such as general. This will be distributed to brokers via our SCOR.	As the end of the pilot, in the best of their ability, SCOR and Zurich remove all personal data from their systems. Some data may be retained for a period of 12 months if it is no longer considered personal.	

Claiming the Cash Back Offer?

Zurich will provide a four-month cashback on the first year anniversary of their policy, and a two-month cashback on the second year anniversary, as long as the customer meets certain criteria.

Contact Support:

For any queries with your Garmin watch, please contact: <https://support.garmin.com/en-GB/>
Or call the contact to your firm: <http://www.garmin.com/en-GB/contact-us>

For all things AP, please contact: Health Watch
By email: healthwatch@zurich.com | Customer support: support@healthwatch.com
Please contact your Broker Consultant for any other information.

Zurich Life Assurance plc
Zurich House, Pearson Road, Blackrock,
Co. Dublin, Ireland
Telephone: 01 261 1461 | Fax: 01 261 1578
Zurich Life Assurance plc is a registered member of the Central Bank of Ireland.

First sent via email 2017

ZURICH



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Umanlife



Coaching cards



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Focus on Health

Beyond the healthy wealthy

A growing void threatens to open between the self-motivated haves and the have-nots, many of whom no longer follow a traditional path through life.

Looking beyond the healthy wealthy to target the less healthy is key to the realisation of sustainable value and growth

Qualitative metrics are necessary for long-term engagement

Empowering the customer to own and control their own data will foster more positive attitudes to data sharing



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Health 2 Sync (Hong Kong)

Health2Sync App

Health2Sync is your smart companion for glucose control. The app transforms the data you have recorded into useful information, and helps you in finding the most suitable diabetes management method, as well as taking control of your own health.

Download on the **App Store** | GET IT ON **Google Play**



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Health 2 Sync (Hong Kong)

Around-the-clock Diabetes Care

Health2Sync builds a personalized care service based on the blood glucose values and daily activities you have recorded



Simple Recording

Use Health2Sync Mobile App to keep a full record of your blood glucose data and daily activities, taking full control of your health status.



Partner Care

Link to the care team, family and friends and have them serve as your glucose control partners. Learn how they can assist you in managing diabetes.



Personalized Care

Health2Sync Mobile App will give you reminders and tips based on your records, to assist you in making timely adjustments.

Users

- Upload blood glucose, blood pressure, weight, daily activities,
- Notes and photos to keep a complete record of the vitals.
- Food log
- Trend tracking in blood glucose, blood pressure, weight
- Personalized reminders and health tips
- Can extend invite and connect with family, friends and care provider over the app
- Export clinical data via PDF or Excel to forward to healthcare provider

Healthcare Providers

- Patient management platform, i.e. status tracking, target setting
- Communicate and interact with patients according to status



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News Research and Consultation Responses Good With Your Money Policy Papers

Royal London launches pioneering life cover for people with diabetes

25 April 2017

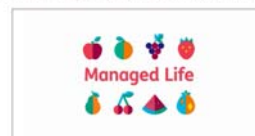
Royal London announces today the launch of its pioneering Diabetes Life Cover. People with Type 1 or Type 2 diabetes can find the process of applying for life cover off-putting due to requests for medical evidence. That's why Royal London has created life cover designed specifically for diabetics, a first in the UK Protection market that has revolutionised the customer experience.



INCOME PROTECTION LIFE COVER HEALTH INSURANCE DOCUMENTS ABOUT

Welcome to Managed Life – life cover that gets better with your clients.

Managed Life is bespoke life cover for people with one of two health conditions: type 2 diabetes or a high Body Mass Index (BMI). Watch to find out more.



Start Quote

Learn More

Request a Webinar



Managed Life rewards clients that make positive changes to their health through discounted premiums.



We provide a simple goal – an improved HbA1c reading or a reduced weight.



Once your client's premium falls or increases to a certain point, we'll lock it for the remainder of the term.



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Focus on Health

Partnering for change

E-wellness programs offer a viable “way in” for insurers, providing a platform to offer meaningful outcomes, to build a partnership between insurer and customer and maintain engagement by offering more than just data playback and another screen to refresh.

- Allows the customer to lead the conversation
- Encourages and rewards positive behavioural change
- Promotes data-sharing as fluid exchange of value



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Elyse 28 (USA)

elyse²⁸

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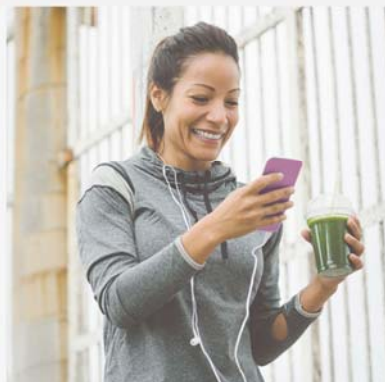
OUR FIRST BATCH IS FULL. WE'LL OPEN ACCESS AS SOON AS POSSIBLE. PLEASE [SUBSCRIBE](#) TO BE THE FIRST TO KNOW.

YOUR 24/7 WELLNESS ASSISTANT

Health & Wellness designed for Women

The only wellness provider that combines highly advanced AI that learns about you and real human coaches to help you live a healthier life.

GET STARTED



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Ping An (China)



中国平安
PING AN

The biggest insurance company in the world is already moving in this direction



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15 May 2018 ¹⁾ Source: 2016 annual report

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Ping An (China)



中国平安
PING AN

From a traditional bancassurance group to a platform company



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What does the future hold?

New Insurance Ecosystems emerging –formed by entrants that are not always from industry

- Consumers still seek and will continue to seek –and must be granted advice -while engaging via alternative proposition models
- Seamless channel experience will become increasingly necessary for consumers to engage
- Blended advice models (chat / AI) mixed with real agent support will become increasingly common
- With the emergence of Generation Rent, context of needs, value and affordability is changing

Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.