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ROYAL LONDON

Gen Re

Sweetening the deal

Cost-effective life insurance for diabetics

Debbie Kennedy, Royal London
Joan Coverson, Gen Re

19 May 2017

Royal London product

Royal London diabetes life cover cut applications to 1 hour

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ROYAL LONDON

By Simon Allin

Financial Advise

Diabetics applying for life cover through Royal London will be able to do so in less than an hour thanks to a robo-underwriting process.

Royal London launches pioneering life cover for people with diabetes

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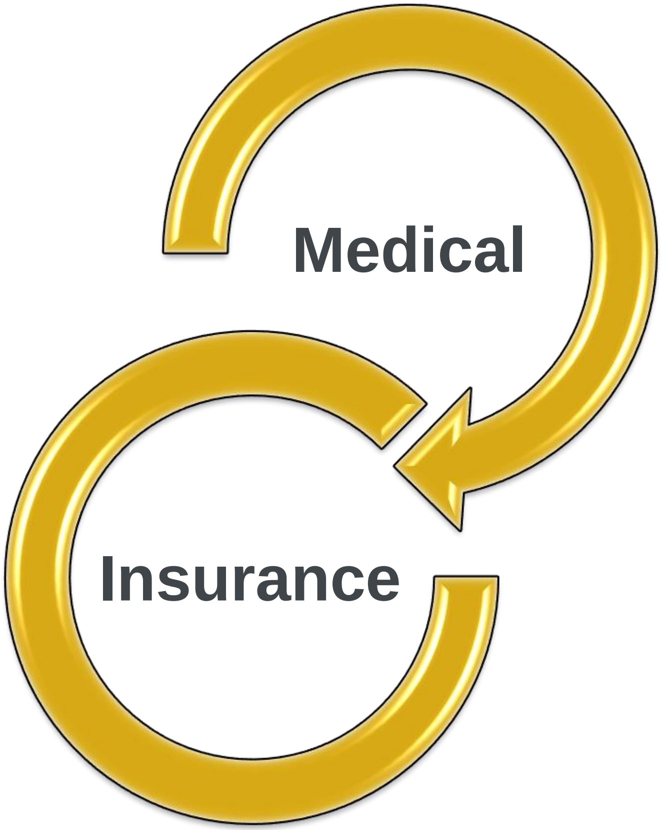
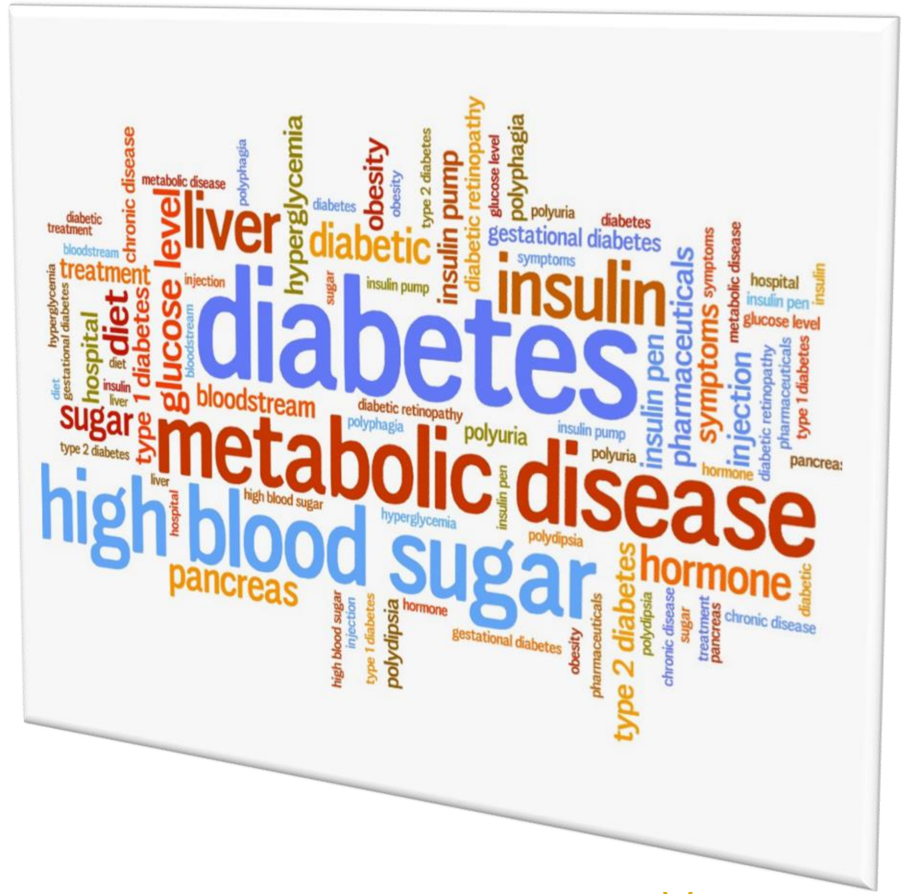
Agenda


Medical
Insurance


diabetes
metabolic disease
high blood sugar
insulin
liver
diabetic
glucose level
hormone
pancreas
bloodstream
treatment
sugar
hospital
diet
type 1 diabetes
type 2 diabetes
gestational diabetes
hyperglycemia
obesity
insulin pump
diabetic retinopathy
polyphagia
polyuria
polydipsia
pharmaceuticals
symptoms
injection
insulin pen
chronic disease

Facts and Figures

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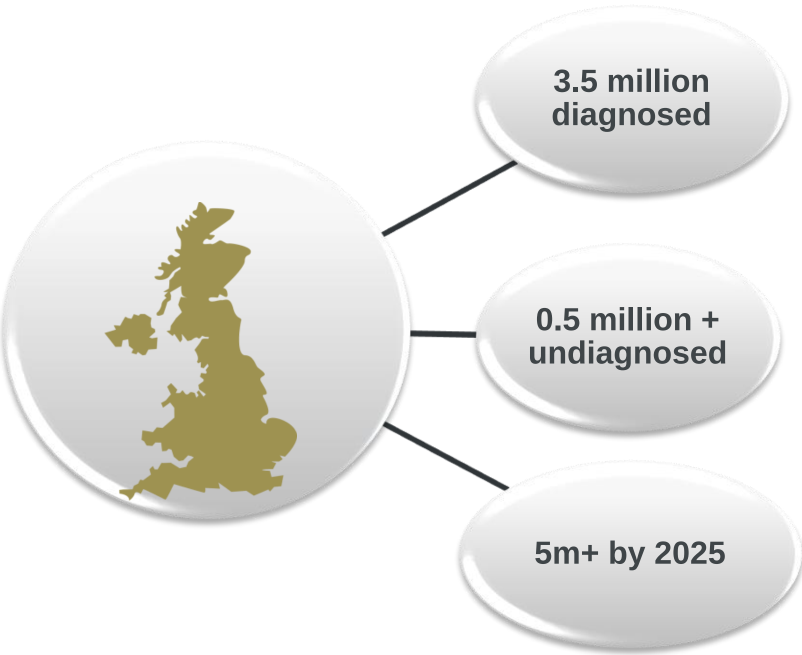
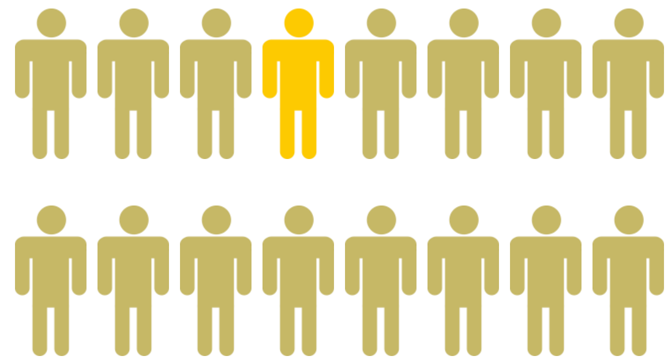
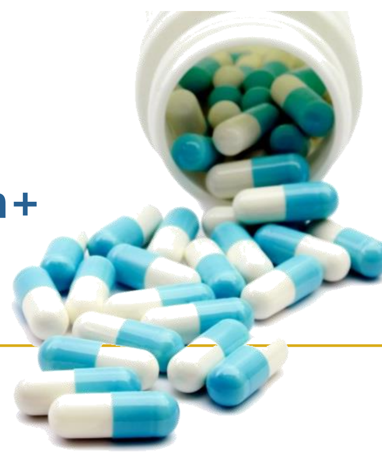
UK Facts and Figures





40m+



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Diabetes

Medical

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Sugar

- Sweet carbohydrates
- Glucose
  - Simple sugar
  - Primary source of energy
  - Water soluble so cannot cross cell membrane
- Insulin

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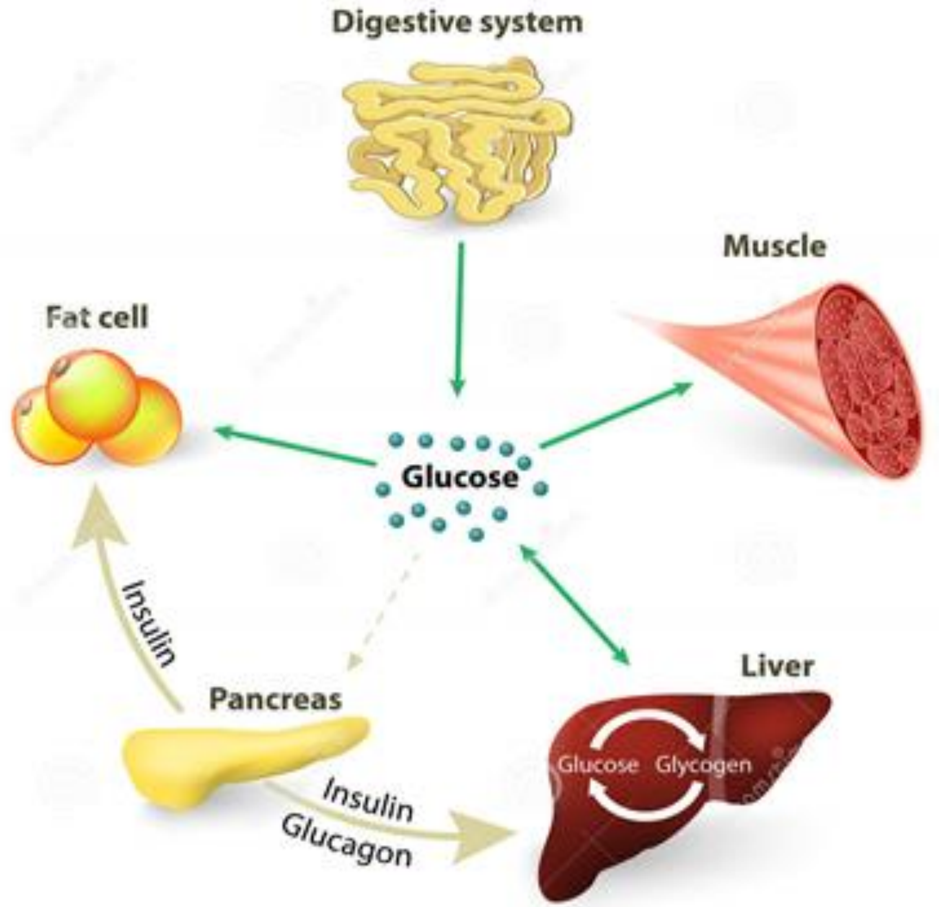
Sugar !



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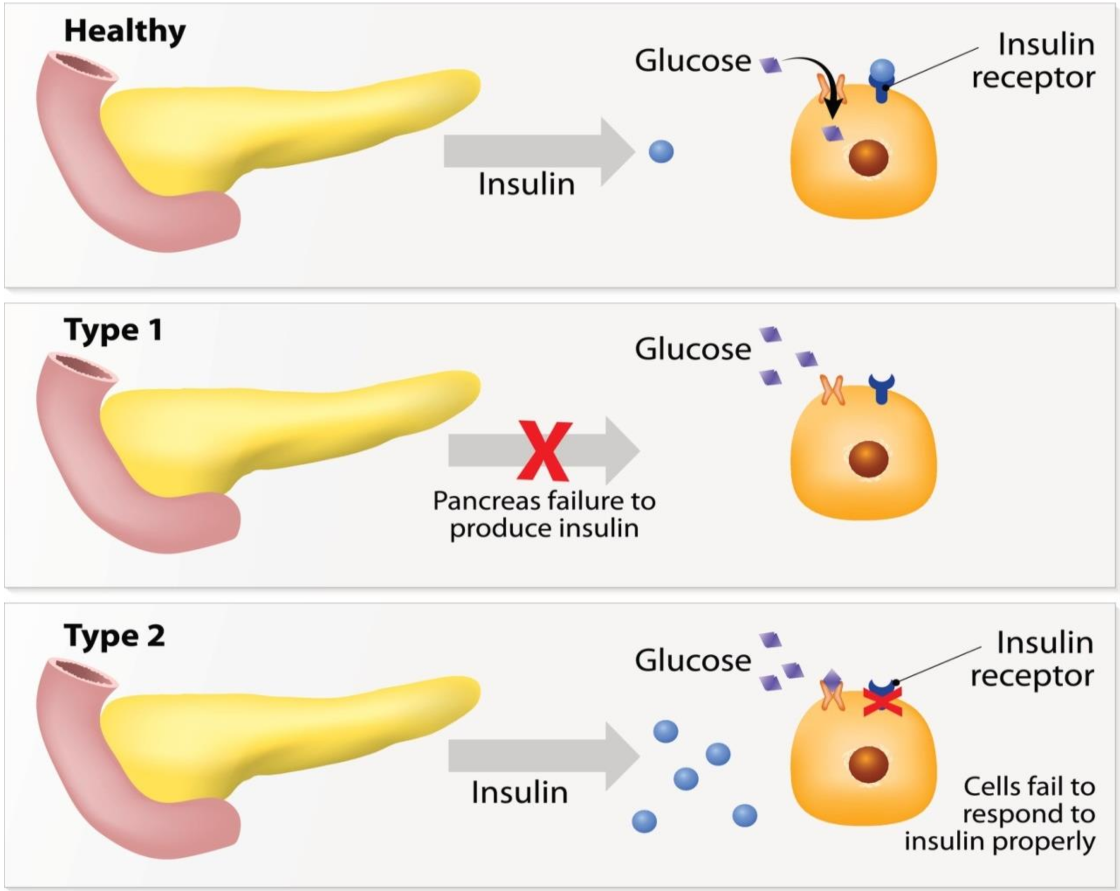
What is Diabetes?

- Metabolic disorder
  - Chronically high blood sugar
- Increasing prevalence
- Without proper treatment
  - Reduced life expectancy
  - Late complications

Types of Diabetes

10%

90%



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Symptoms

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Diagnosis

50% don't know they have it!

TYPE 2 DIABETES (units are mmol/l)	
SYMPTOMATIC (e.g. polyuria, polydipsia, unexplained weight loss)	ASYMPTOMATIC
A single fasting plasma glucose ≥7 OR A single random plasma glucose ≥11.1.	A fasting glucose ≥7 on two separate occasions OR A random glucose ≥11.1 on two separate occasions OR An HbA1c ≥6.5% (48mmol/mol) on two separate occasions OR An HbA1c ≥6.5% AND a single elevated plasma glucose (fasting ≥7 or random ≥11.1)

Reference:https://www.gp-update.co.uk/files/docs/GP_Update-Spring_2013_diabetes.pdf

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HbA1c (Glycated Haemoglobin)

- Glucose attaches to haemoglobin
- HbA1c increases as more glucose binds
- Haemoglobin is glycated until blood cell dies
  - approx. 120 days
- Measures control over 3 or 4 months
- <7% = good control
- Most diabetics 6% - 8.5%

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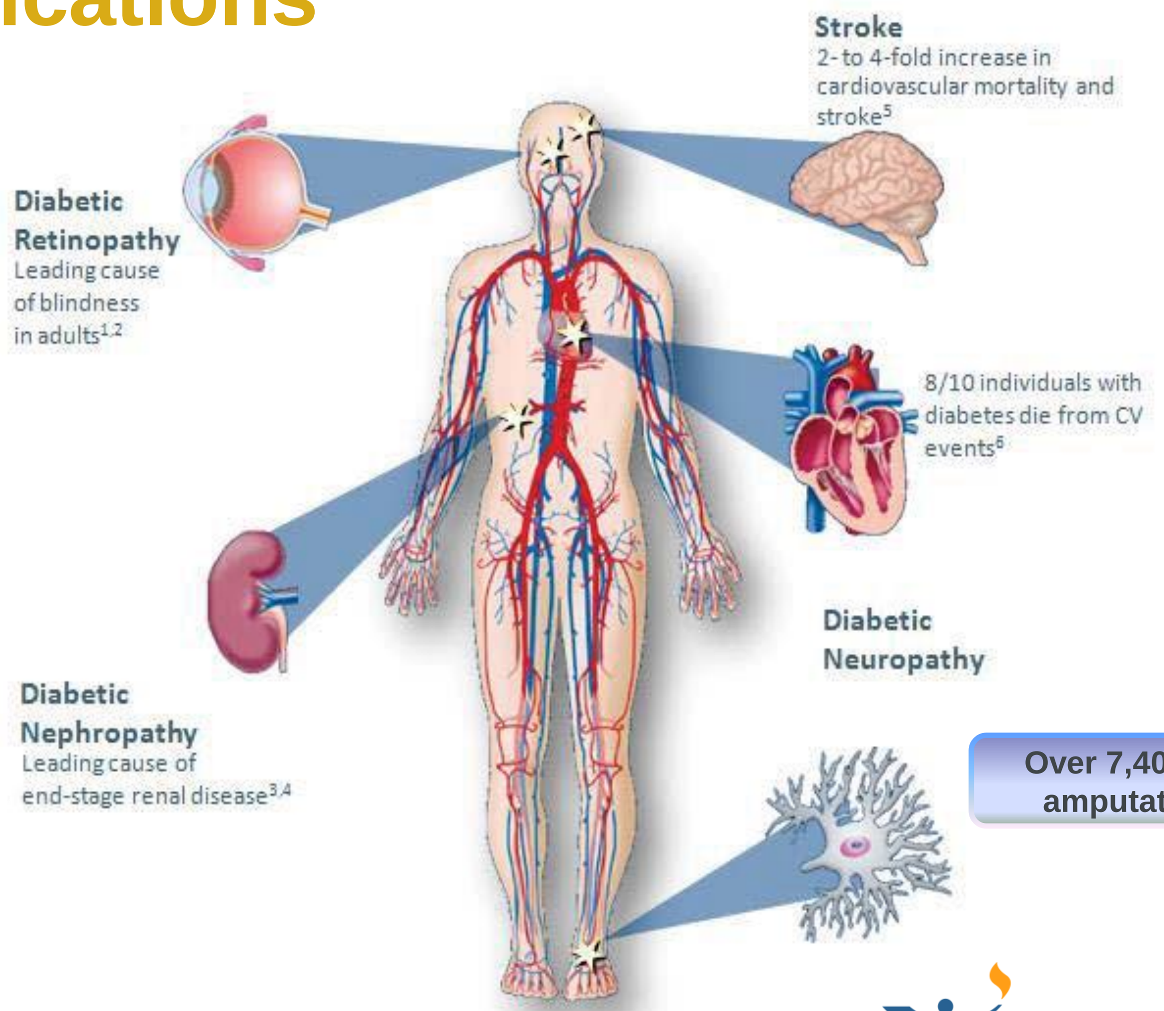
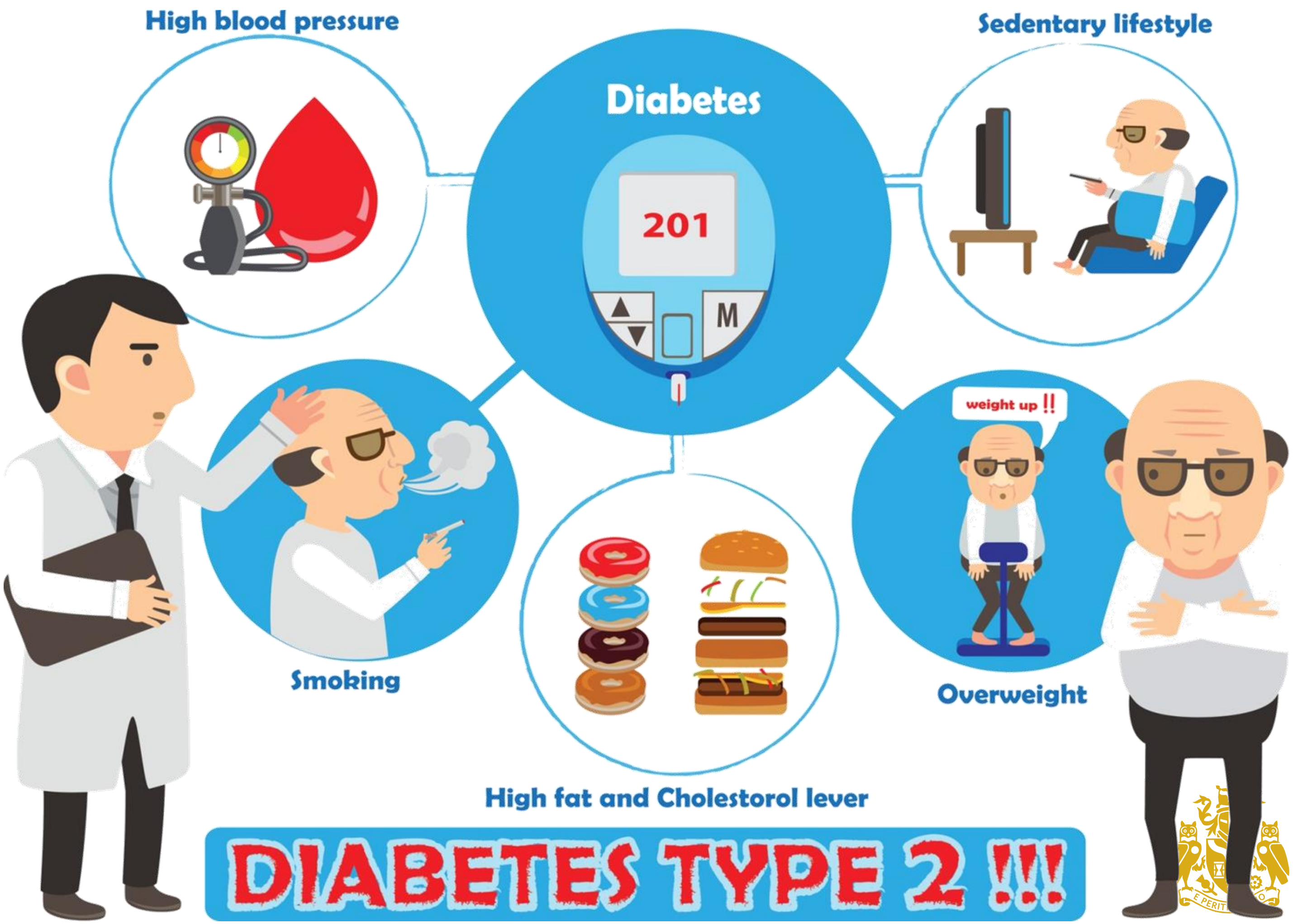
Complications



Over 7,400 leg, foot or toe amputations every year

Reference: https://www.impeto-medical.com/en/sudoscan-en/sudoscan-and-diabetes/

Type 2 Diabetes – Risk Factors



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Type 2 Diabetes – Risk Factors

- Age > 40
- > 120% desirable weight
- BP > 140/90 and abnormal lipids
- Family history of type 2
- Ethnicity
- Past impaired glucose
- History of gestational diabetes

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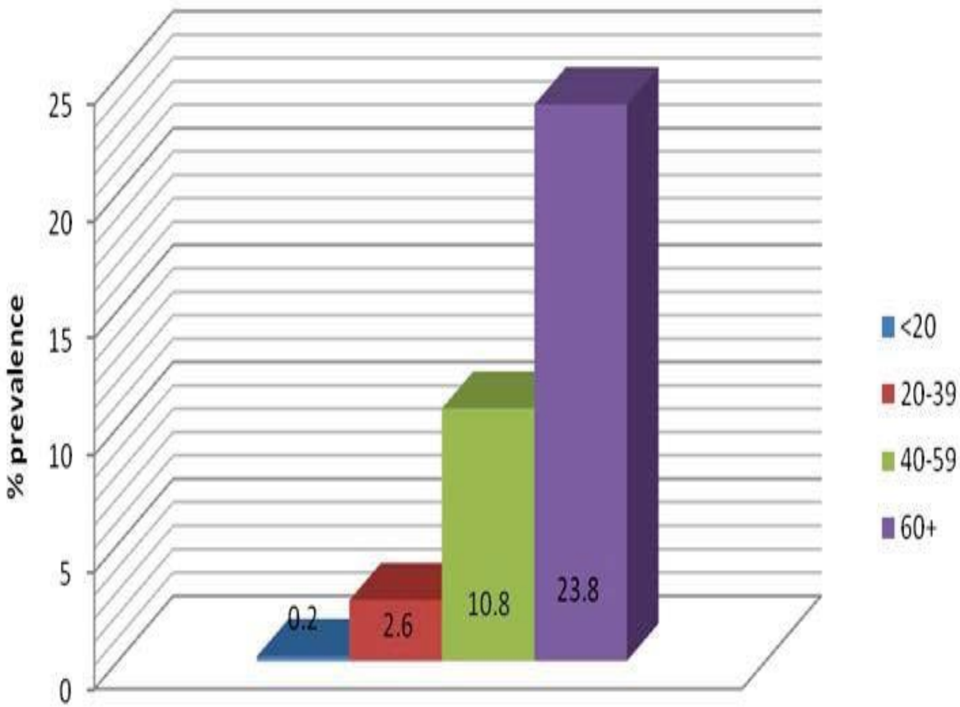
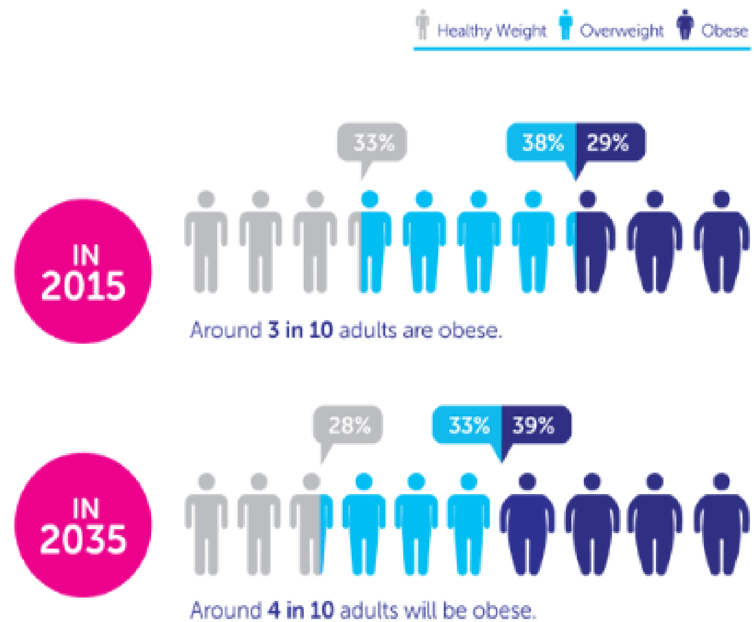
Prevalence



Prevalence of Diabetes by Age



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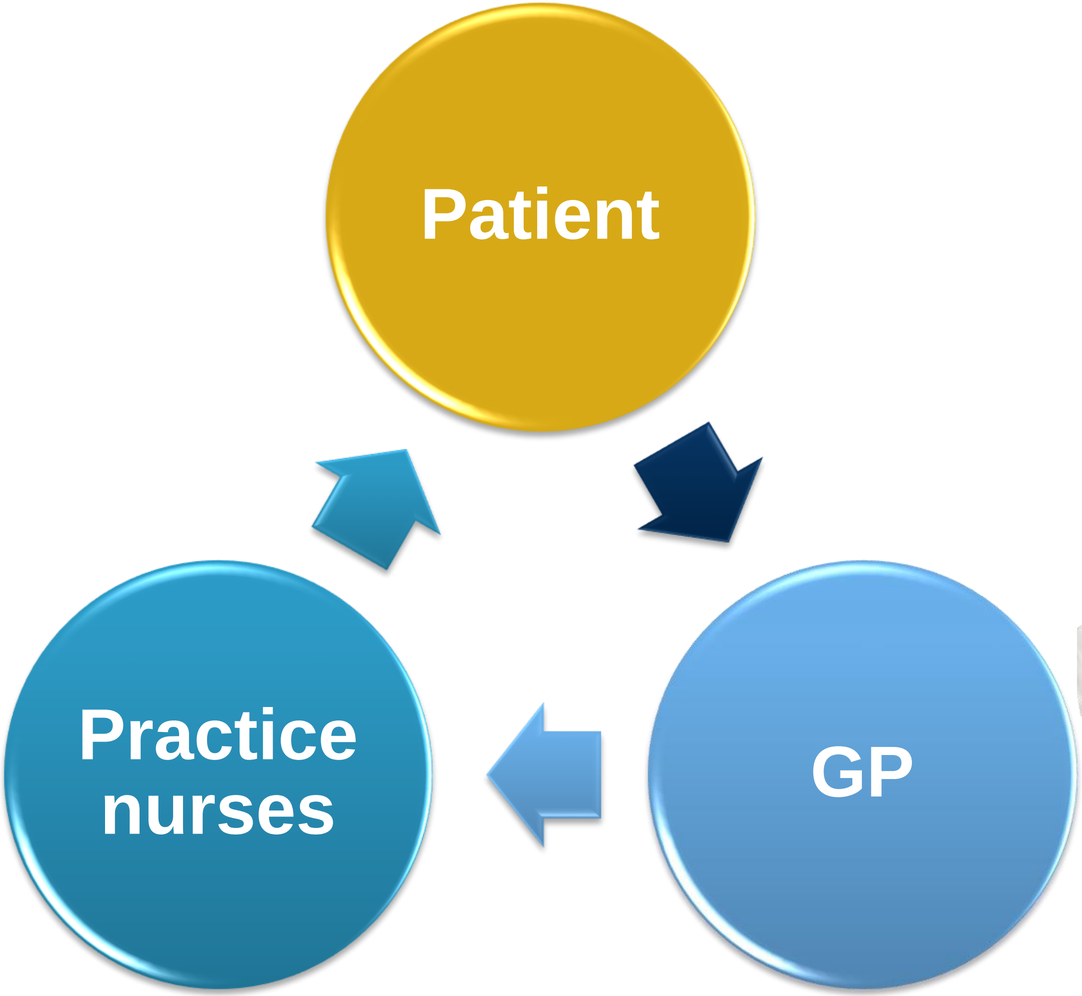
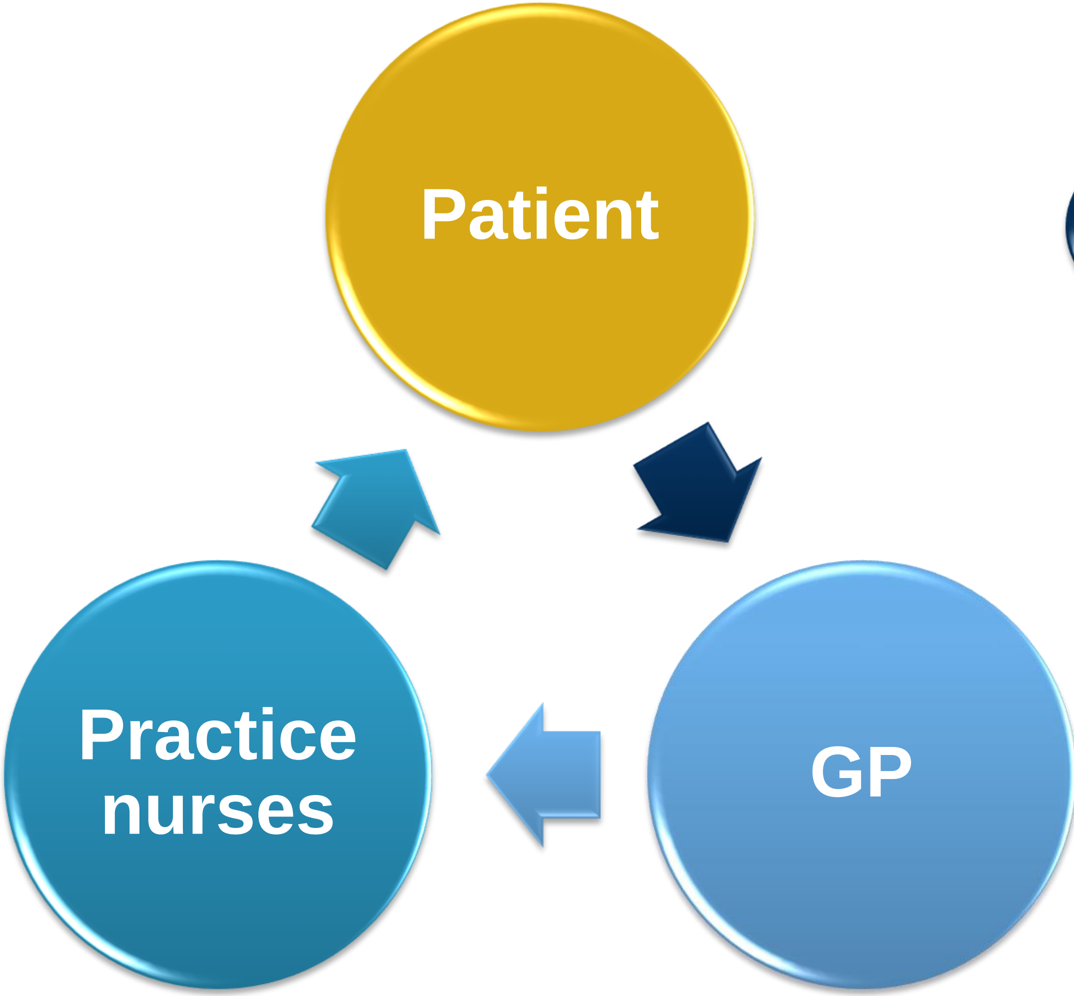
Type 2 Management in Primary Care



Type 2 Management in Primary Care



Management

If GPs followed and achieved NICE targets could reduce cardiovascular risk by 50%

< 20% of patients currently attain this benefit

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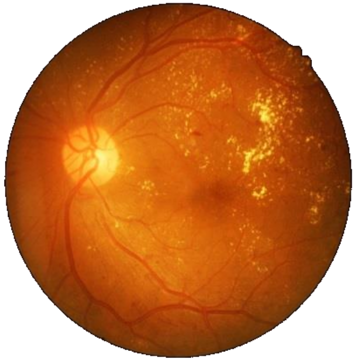
Monitoring



- Diabetic assessment every 3-4 months
- Dilated eye examination every 1-2 years

- Annual assessment of renal function
- Regular foot examination

Prognosis

Reference:https://ibeatcancer.wordpress.com/2010/04/15/how-diabetes-saved-my-life-or-why-going-to-the-doctor-is-so-important/

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Diabetes

The Royal London Product


Royal London diabetes life cover cut applications to 1 hour

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Diabetes life cover

Target market

- Underserved **segments** of the insurance market
- Real needs such as **chronic** conditions like diabetes
- **Difficult** to get cover

  - Protracted underwriting
  - Unattainable cost/uninsurable

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Diabetes life cover

The customer journey

- Robo-underwriting
- Diabetic Scorecard
- Continuous Underwriting

The underwriting pivot!

Diabetes life cover

The customer journey

Increased HbA1c tolerance = cover offered to a greater proportion of customers with diabetes

Reduced number of application questions

Eligibility questions determined very early in process

Immediate acceptance terms

Rewards good control of the condition

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Diabetes life cover

The customer journey

- We have been able to improve the way our customers can buy insurance
- Straight through processing is not just for the healthy lives
- No more ‘one size fits all’ approach.

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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.