

# Are We Ready For Behaviour Linked Insurance?

Colin Bullen



**HABITS**  
**AT WORK**

*“In the arms race  
between doctors  
and germs, doctors  
run faster”*

*“Sugar is now a  
greater threat to  
mortality than  
gunpowder”*

**Yuval Noah Harari**  
Homo Deus (2016)

# What is a BLIP?

- Behaviour Linked Insurance Product
- Premium or benefit adjusted according to the behaviour that insured practices
- Behaviour can be many things, but will typically be **activity related**, at least initially
- Annual review of behaviour with corresponding adjustment of premium, or benefits
- Supported by objective measurement of the contracted behaviour

# What do we need to be ready?

- ✓ The impact of behaviour on claims
- ✓ The impact of changing behaviour on claims
- ✓ The recipe for behaviour change
- ✓ Robust measurements of behaviour
- ✓ Market readiness

## Questions we'll address today

- ✓ Does behaviour affect risk?
- ✓ What are the outcomes from changing behaviour?
- ✓ How do we get people to change behaviour?
- ✓ How do we reliably measure behaviour?
- ✓ Is the market ready?

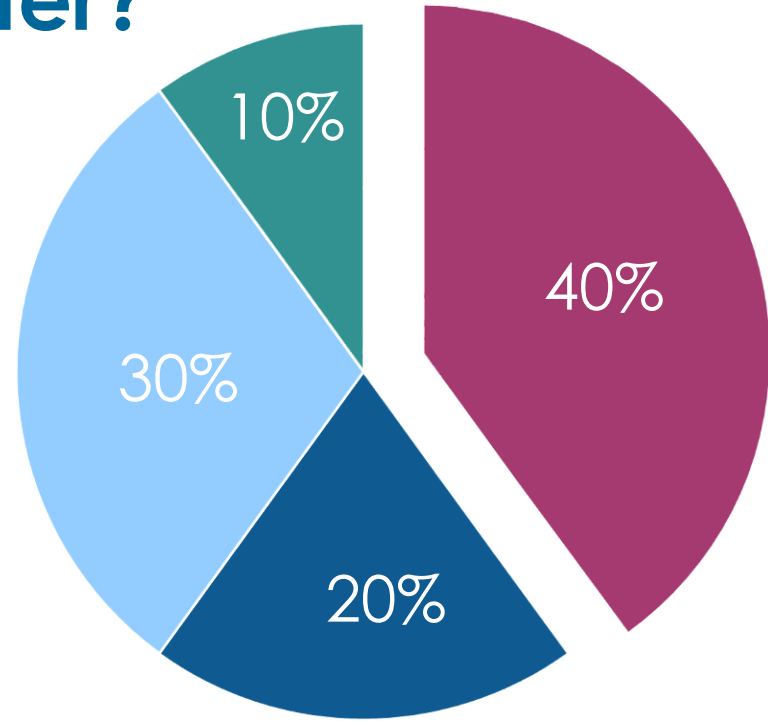
Does behaviour  
affect risk?



**HABITS**  
**AT WORK**

# Does behaviour matter?

*Drivers of  
health status*



■ Habits ■ Social & Environment ■ Genetics ■ Sick Care

Source: Steven A. Schroeder, *We Can Do Better — Improving the Health of the American People* N Engl J Med 2007;357:1221-8.



What are the  
outcomes from  
changing  
behaviour?



**HABITS**  
**AT WORK**



# BRATLAB

The research division of Habits at Work

# BRATLAB's Foundational Models

DOSEVALUE

Measures which habits bring the most value to people + companies

FOURPOWERS

Supports the reliable creation of positive habits over time

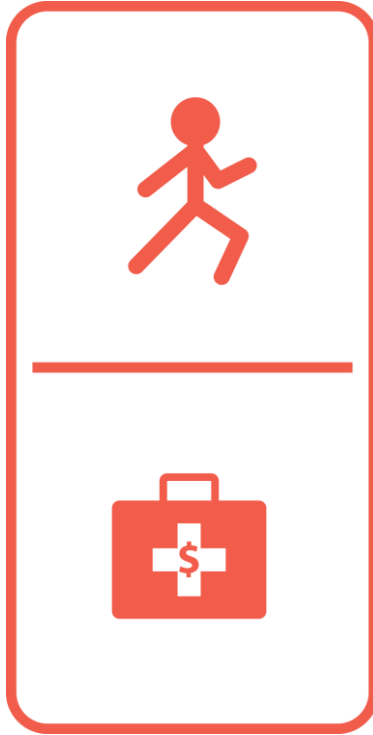
**HABITS**  
AT **WORK**

# ‘PIVOTAL’ HABITS

Which are worth doing, and  
to what degree?

DOSEVALUE

**Pivotal Habit  
(Input) DOSE:**  
Exercise



**Outcome VALUE:**  
Sick care costs

# The Dose Value™

?



?



1. How big is the impact / value derived from the ideal dose?

2. How long does the value last after the dose (of the habit) stops?

3. In what form does the value emerge?

- Lower financial costs
- Fewer cases [lower incidence]
- Lower severity or duration
- Greater financial outcomes
- More positive outcomes

# Value



### Dose (Inputs)

Exercise



Healthy Eating



Sleep



Quitting Smoking



Stress Management



Drug Therapy



### Costs



Sick Care Costs



Absenteeism



Presenteeism



Mortality

### Productivity



Cognitive Function



Error Rates



Stamina



Units per Man Hour

### Life Quality



Hypertension



Obesity



Cancer



Fatigue



Blood Sugar



Cholesterol

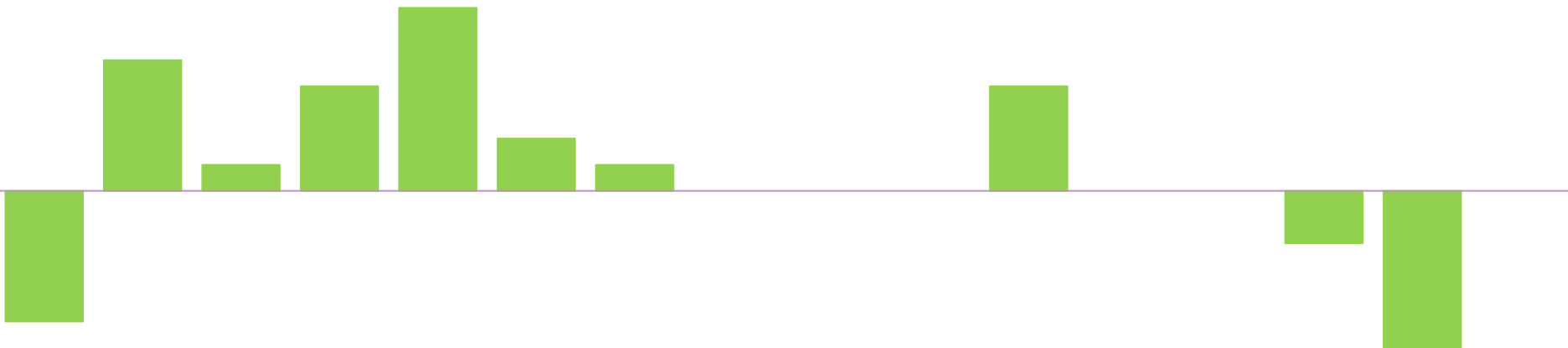


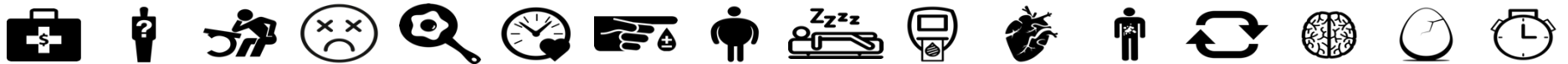
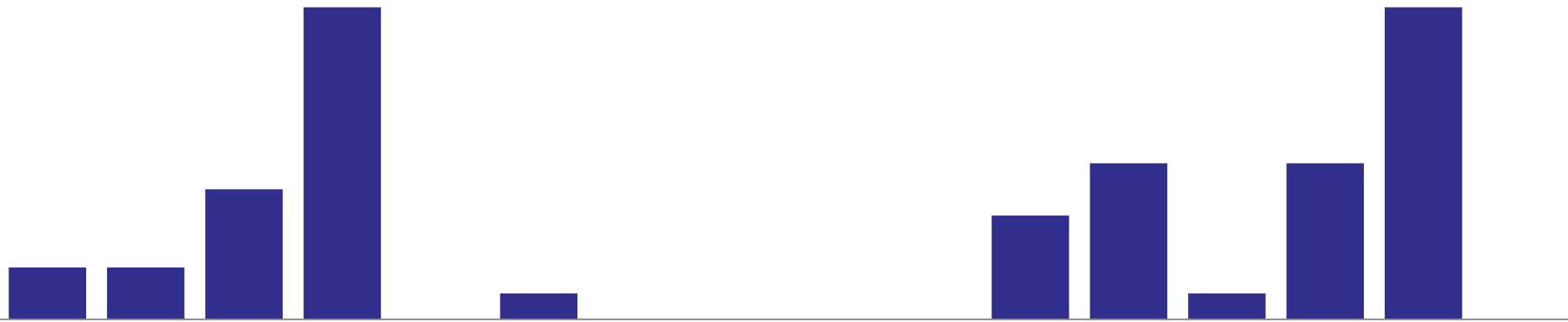
Heart Disease

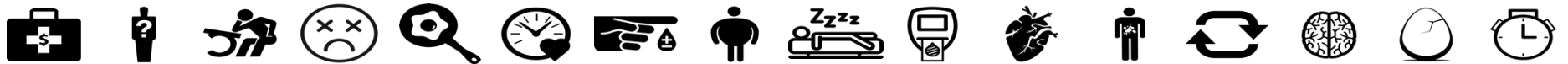
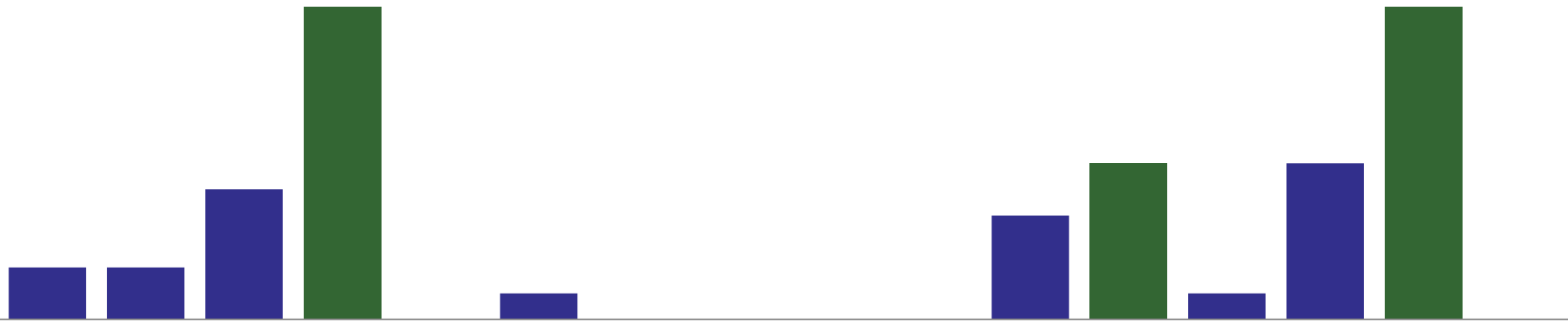


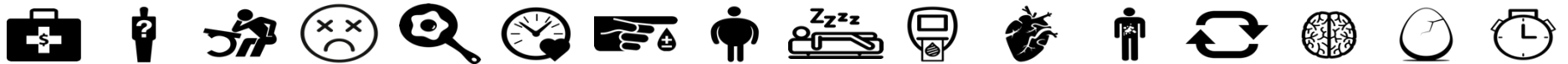
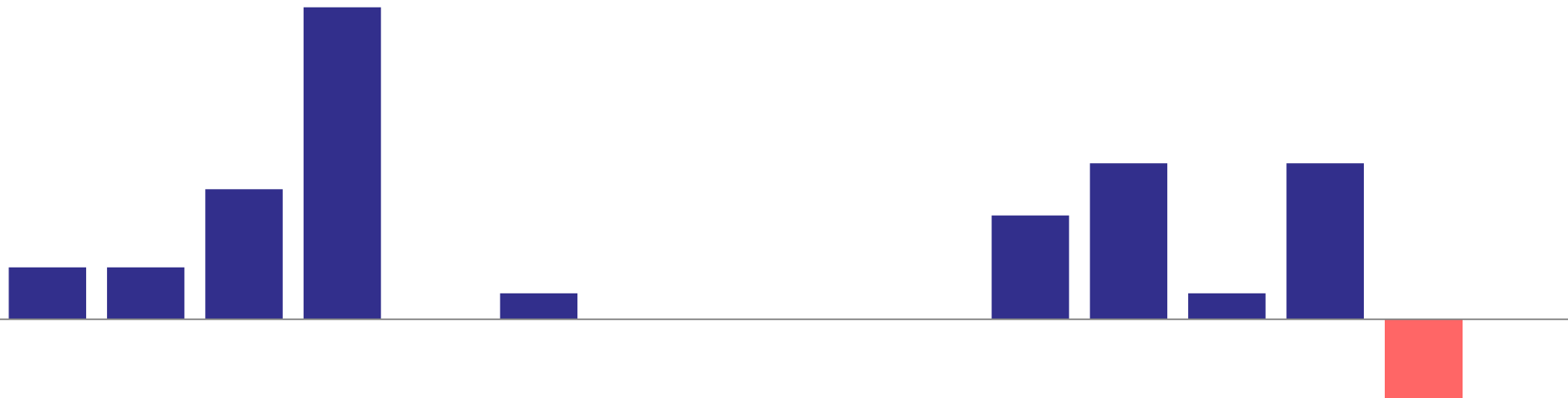
Diabetes

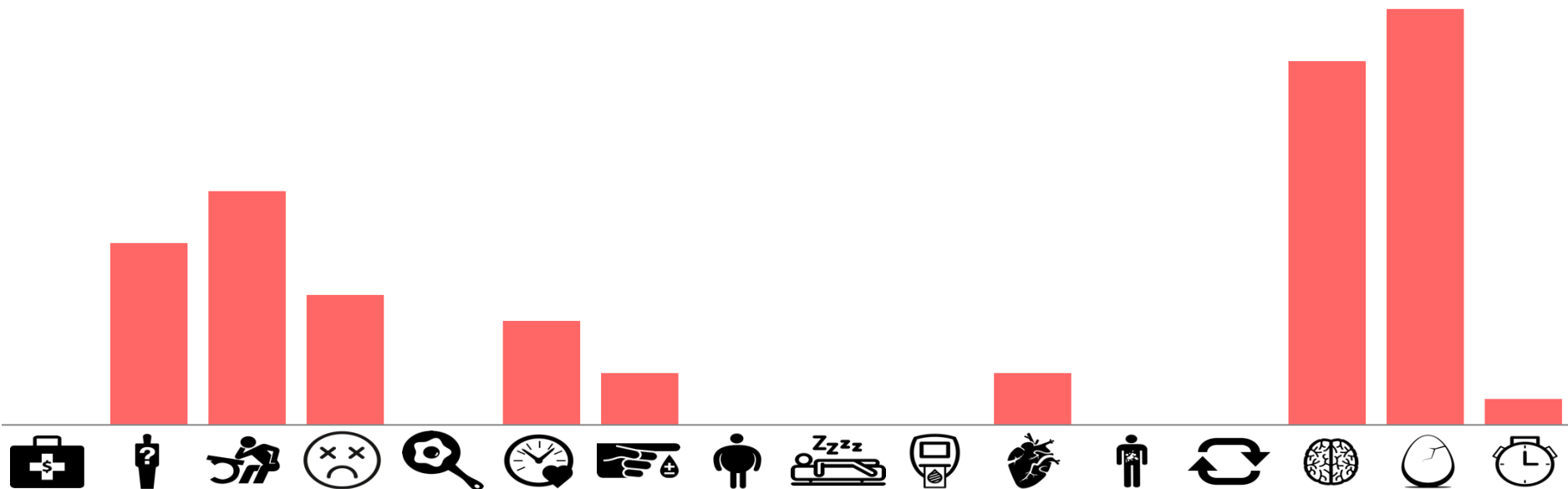


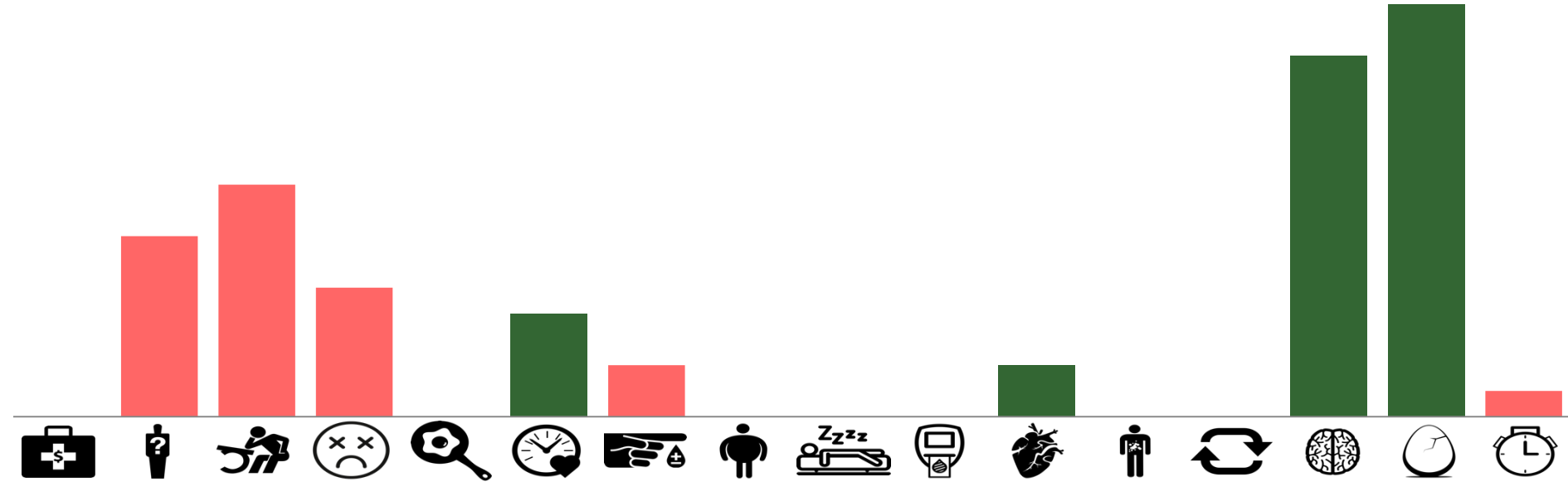


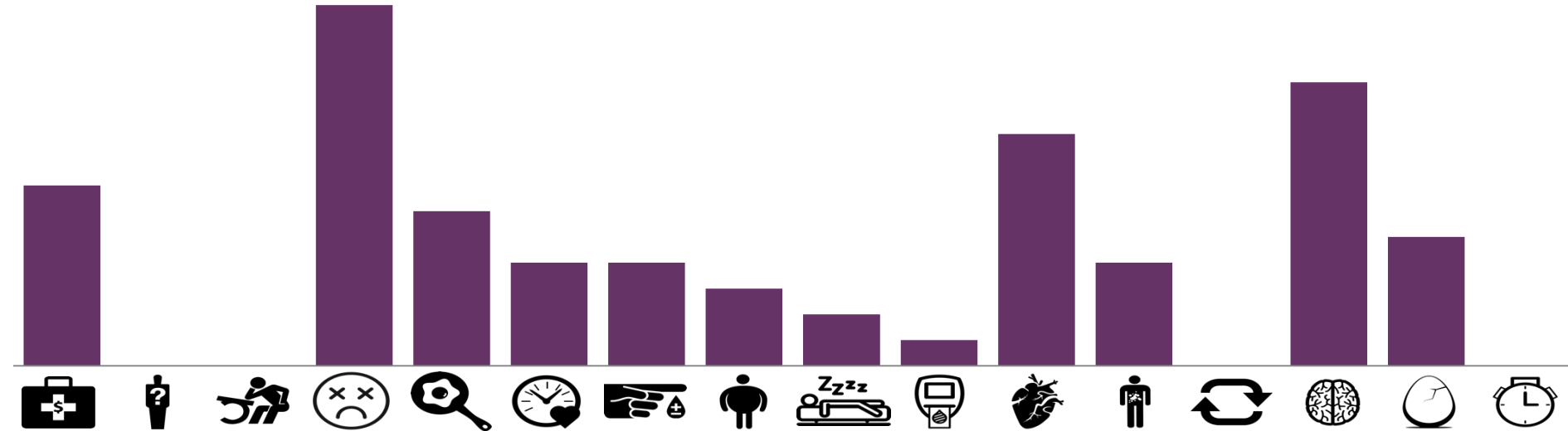




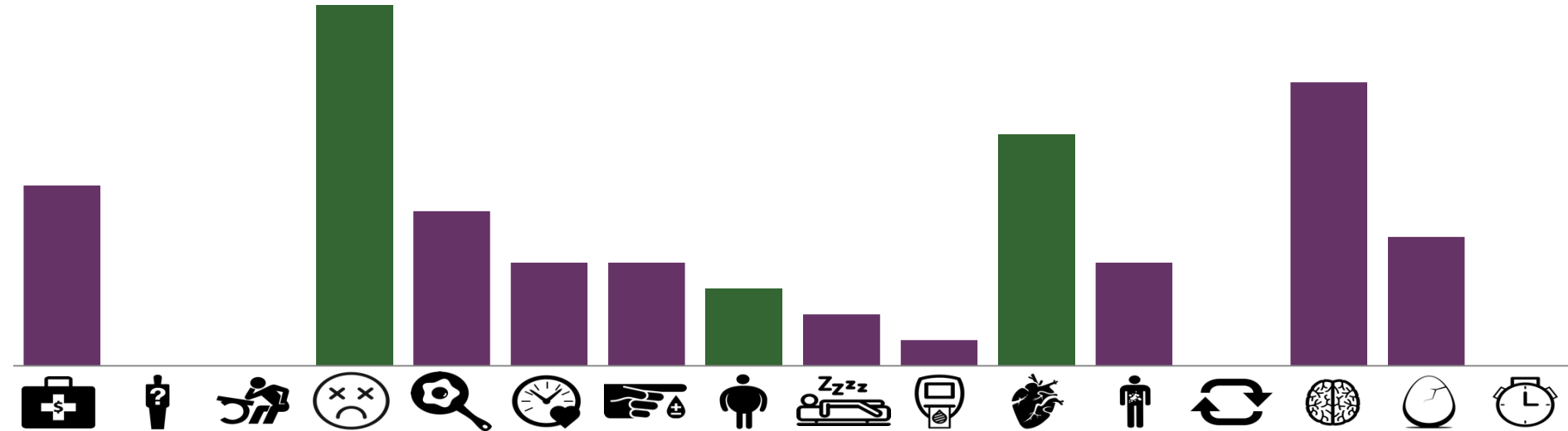


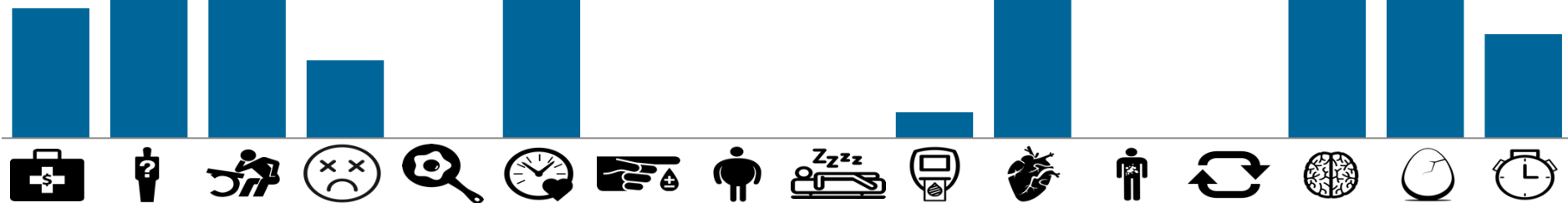


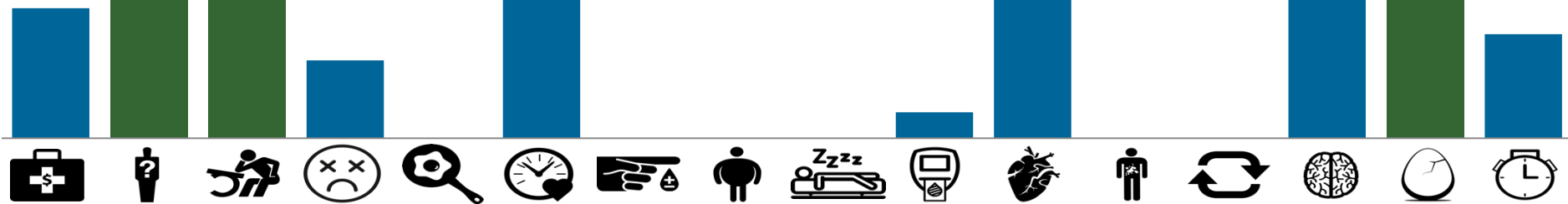






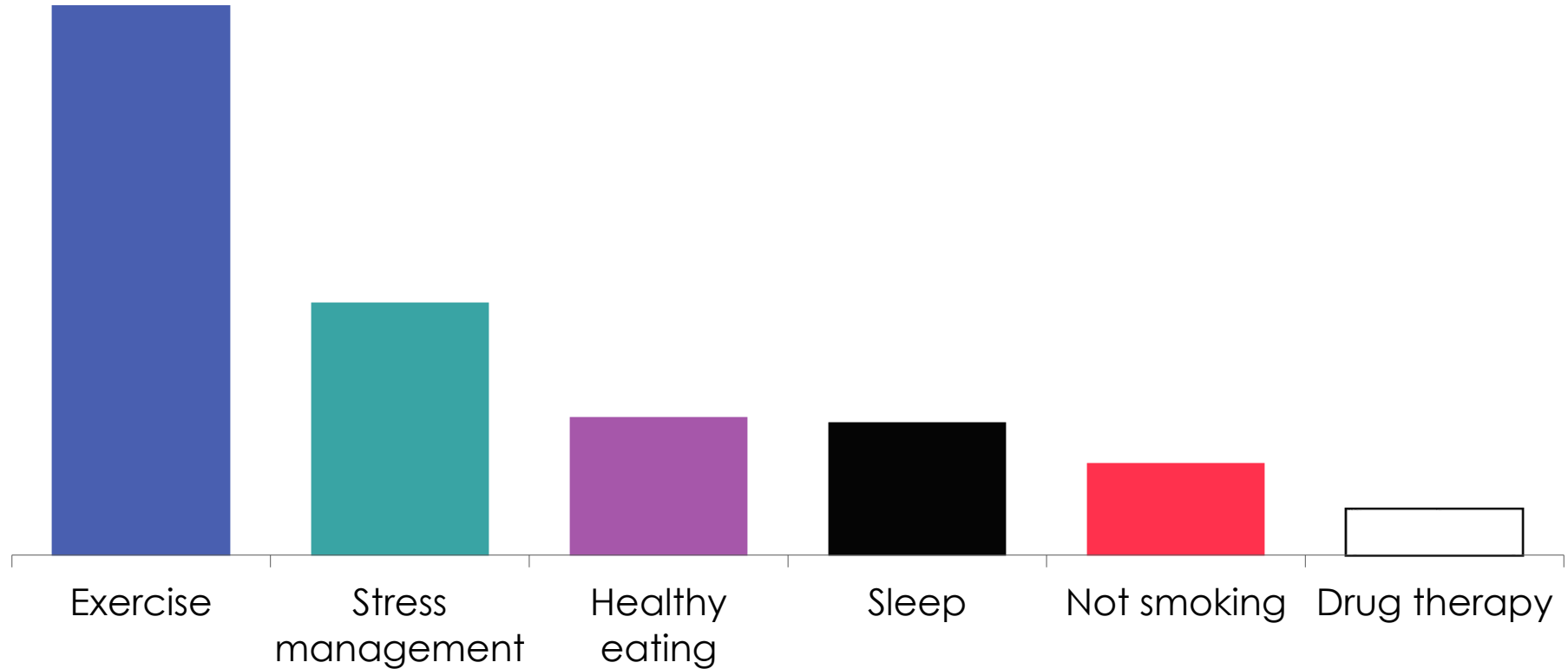








# BRATLAB Impact Index



How do we get  
people to  
change  
behaviour?



**HABITS**  
**AT WORK**

# How do we get people to practice **Pivotal Habits**?

...in a way that leaves them fully engaged?

# FOUR**P**OWERS





# CAPABILITY



# MOTIVATION



# BARRIERS





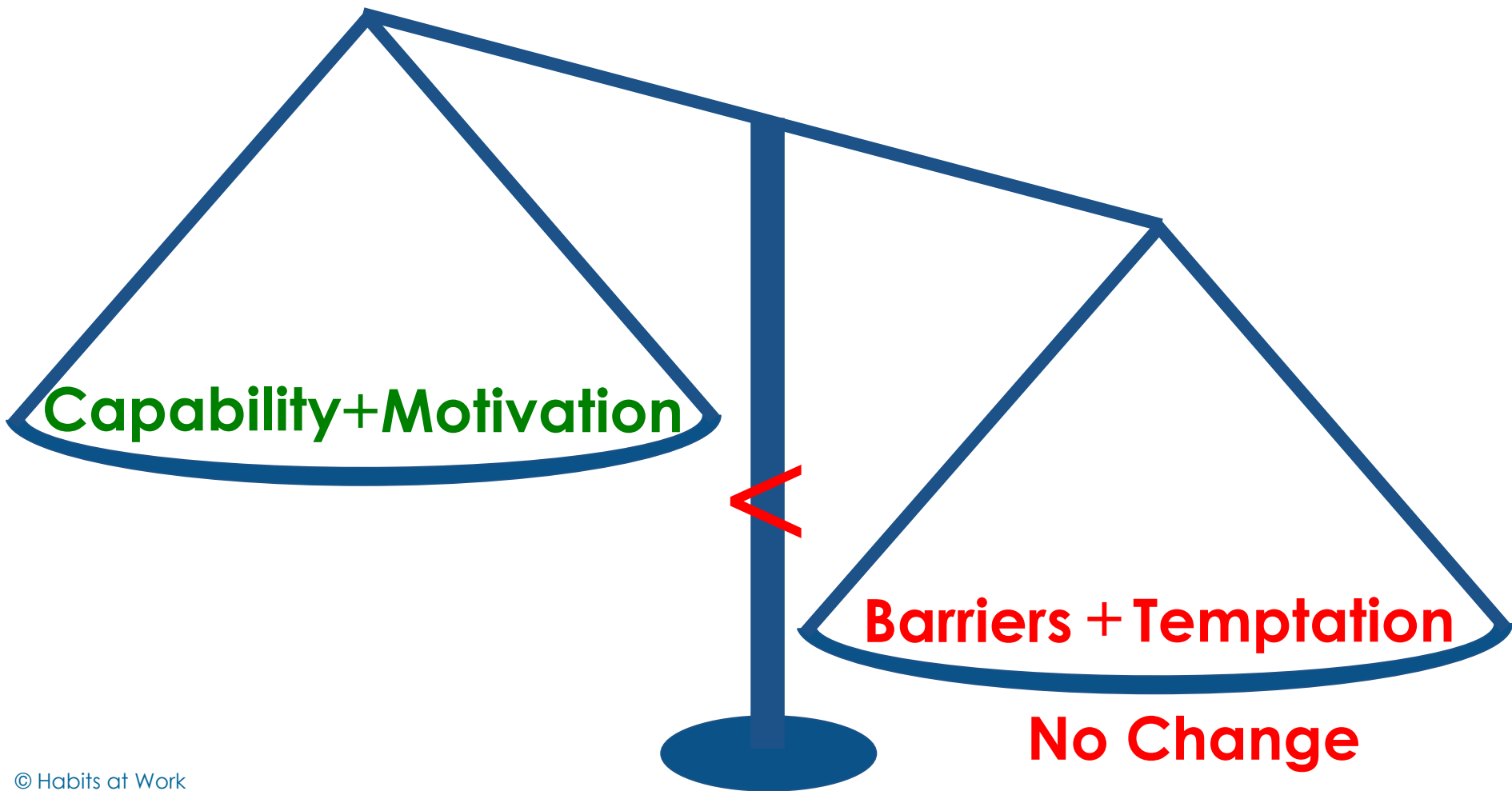
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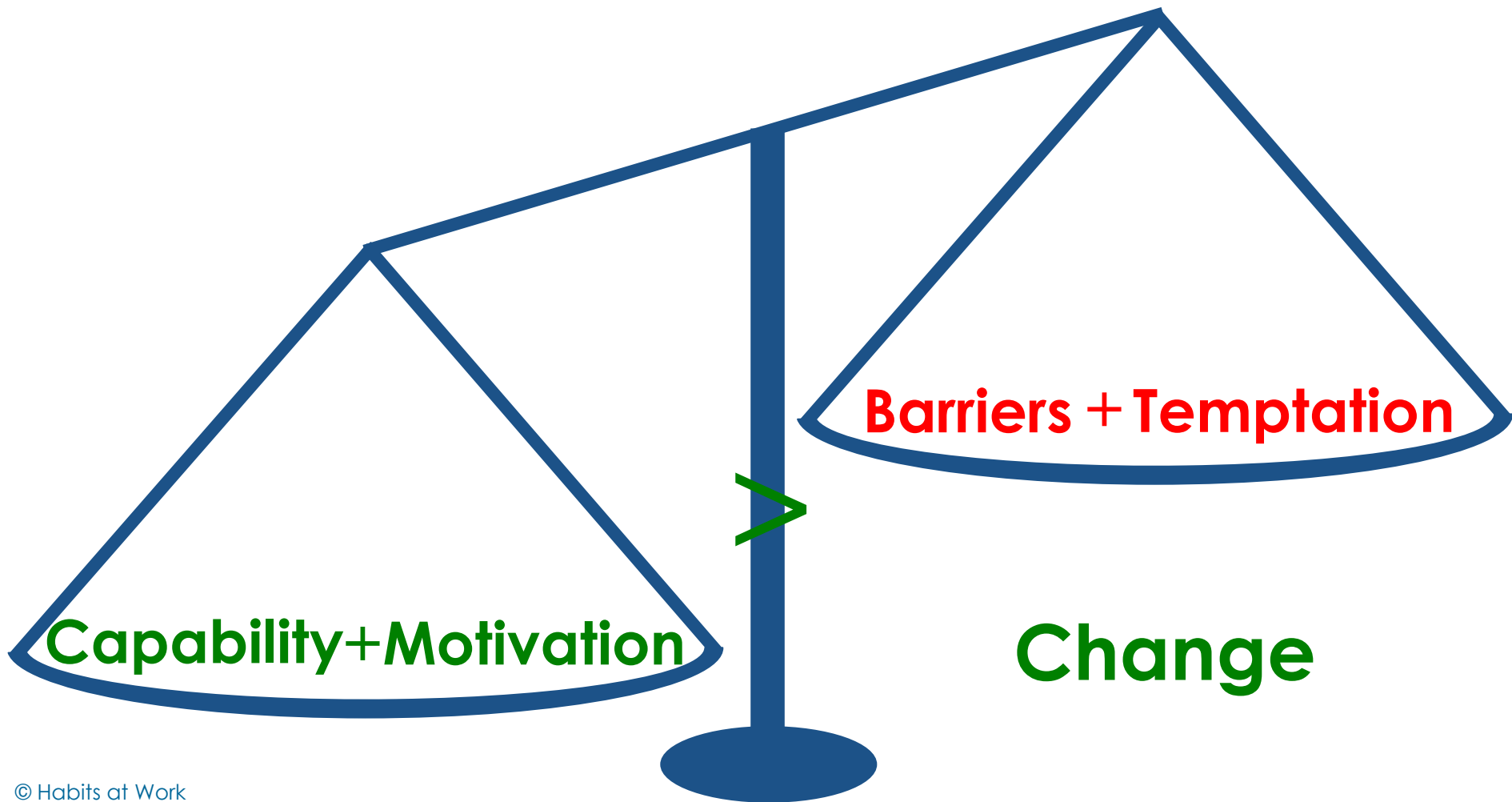
**Capability**

**Barriers**

**Motivation**

**Temptation**





# OUR FORMULA FOR HABIT CHANGE

**Capability**

Confidence + Competence

**Barriers**

Static Impediments to Action

+

>

+

**Motivation**

Compulsion to Act

**Temptation**

Active Distractions from Action



# LIFE CONTEXTS



Spaces



Systems



Social



Self

## Powers

Grow  
Capability



Inspire  
Motivation



Overcome  
Barriers



Resist  
Temptation



Self



Social



Spaces



Systems





Self



Social



Spaces



Systems

## Powers

Grow  
Capability

6

3

1

8

Inspire  
Motivation

1

9

2

5

Overcome  
Barriers

2

6

1

8

Resist  
Temptation

1

5

2

3

# FOURPOWERS

Contexts



Self



Social



Spaces



Systems

Powers

Grow  
Capability



6

3

1

8

Inspire  
Motivation



1

9

2

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Overcome  
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Resist  
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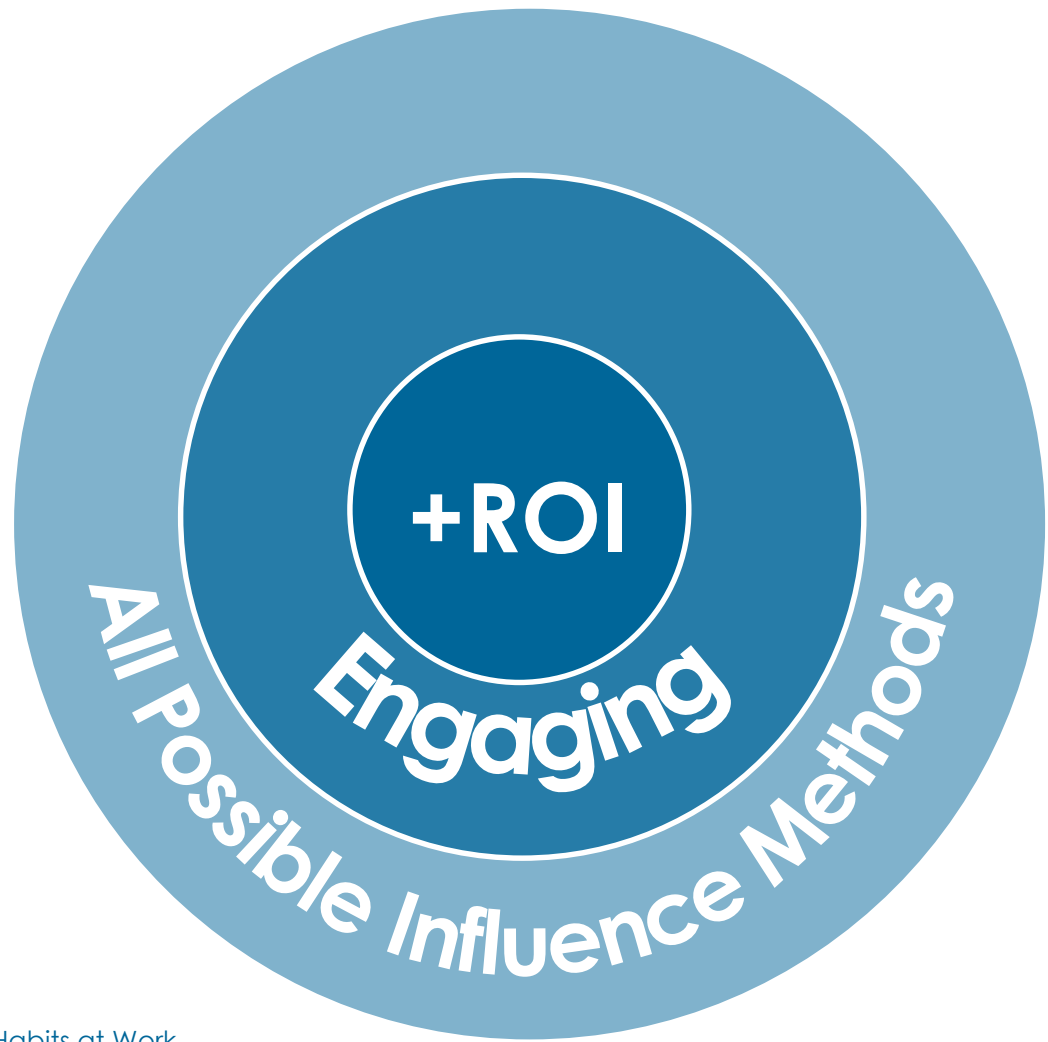


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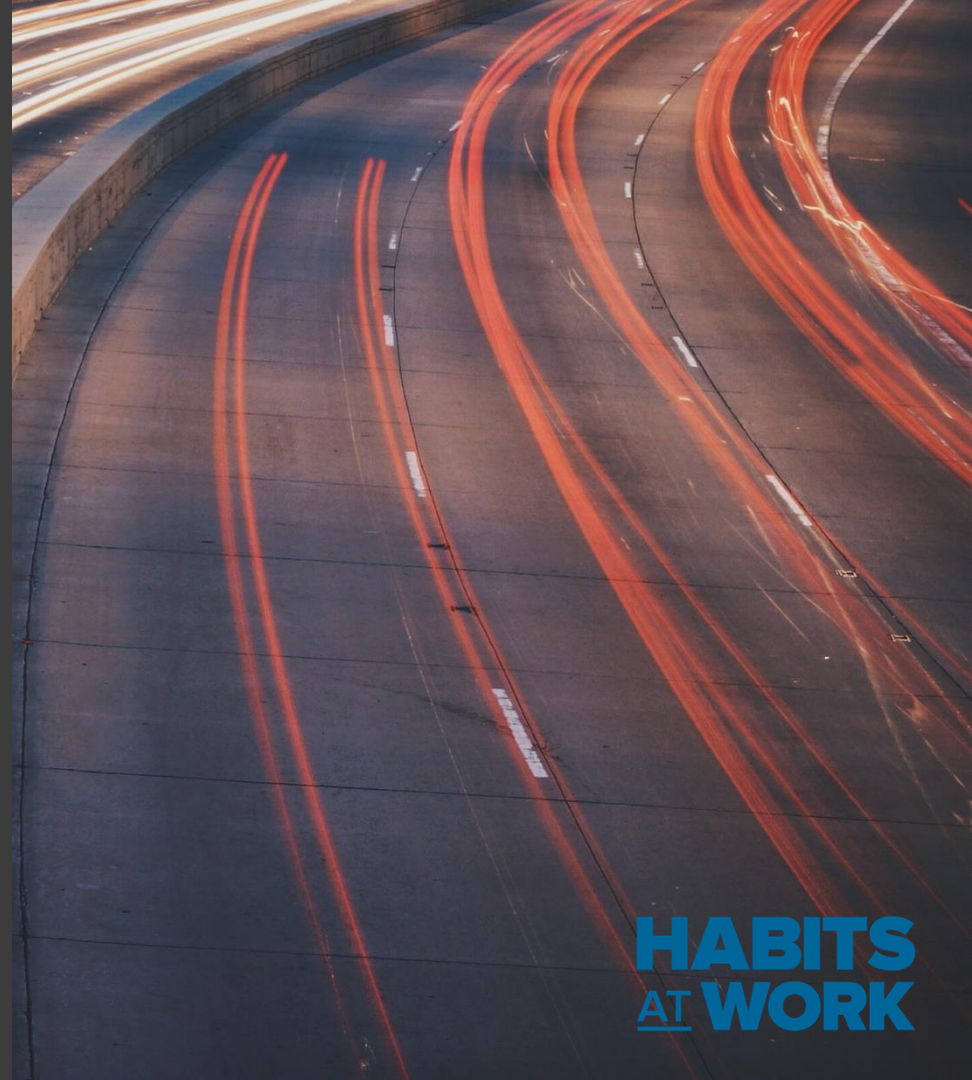
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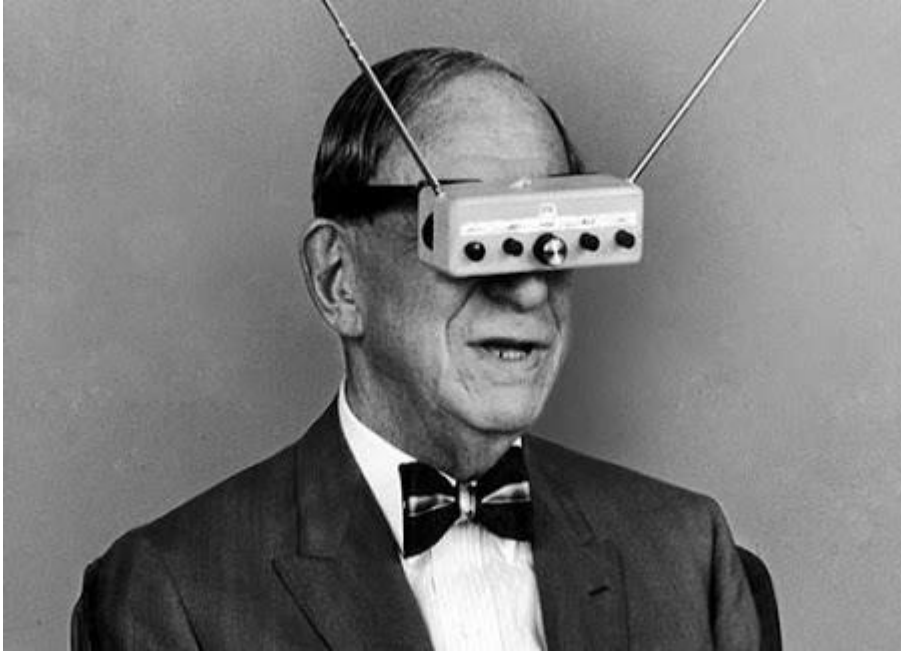
Which  
Influence  
Methods  
are best?

How do we  
reliably measure  
behaviour?



**HABITS**  
**AT WORK**

# Wearable tech is evolving quickly



# Measurements already open to us

Biometrics	Behaviour	Other
Heart rate/pulse	Steps	Goal progress
Heart rate variability (HRV)	Ascent/Decent (Floors)	Posture and balance
Body composition	Calories	Falls (in the elderly)
Weight	Distance	Coughing
Girth	Activity time	Contractions
V02 Max	Sleep duration	Impacts to head (forces)
Blood pressure	Sleep quality (N3/light/REM)	Pollution
Body temp	Swimming strokes	Location
Respiration rate and patterns	Swimming lengths	Pressure distribution
Galvanic skin responses	Light exposure (pre-sleep)	Weight shift information
ECG/EKG	UV exposure	
EEG	Pace/speed/cadence	
Ankle curvature		

Source: Wearable Technology and Internet of Things Working Party 2017



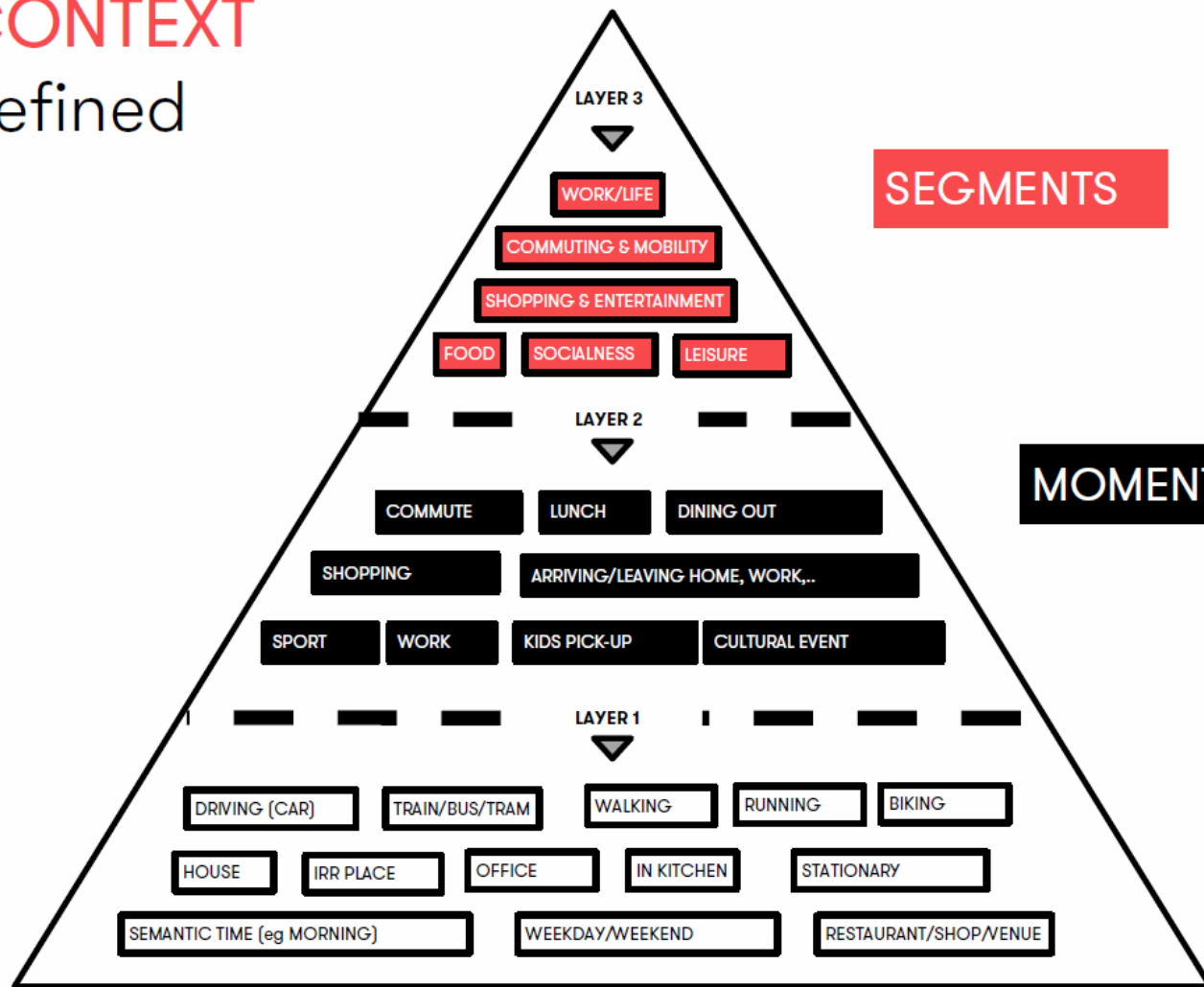
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Source: Wearable Technology and Internet of Things Working Party 2017

# CONTEXT

defined



SEGMENTS

→ WHO

MOMENTS

→ WHY

EVENTS

→ WHAT  
WHERE  
WHEN

Source: Sentiance

# Context Segmentation

## BEHAVIOR SEGMENTS

Rural home	Night worker
City home	Night owl
Town home	Early bird
Rural worker	Workaholic
City worker	Shopaholic
Town worker	Recently moved home
Homeworker	Recently changed job
Work traveller	

## MOBILITY SEGMENTS

Long commute  
Normal commute  
Easy commute  
Green commuter  
Short commute  
Heavy commute  
Mobility: high  
Mobility: moderate  
Mobility: limited  
Die-hard driver  
Public transport user  
Frequent flyer

# Context Segmentation

## LIFESTYLE SEGMENTS

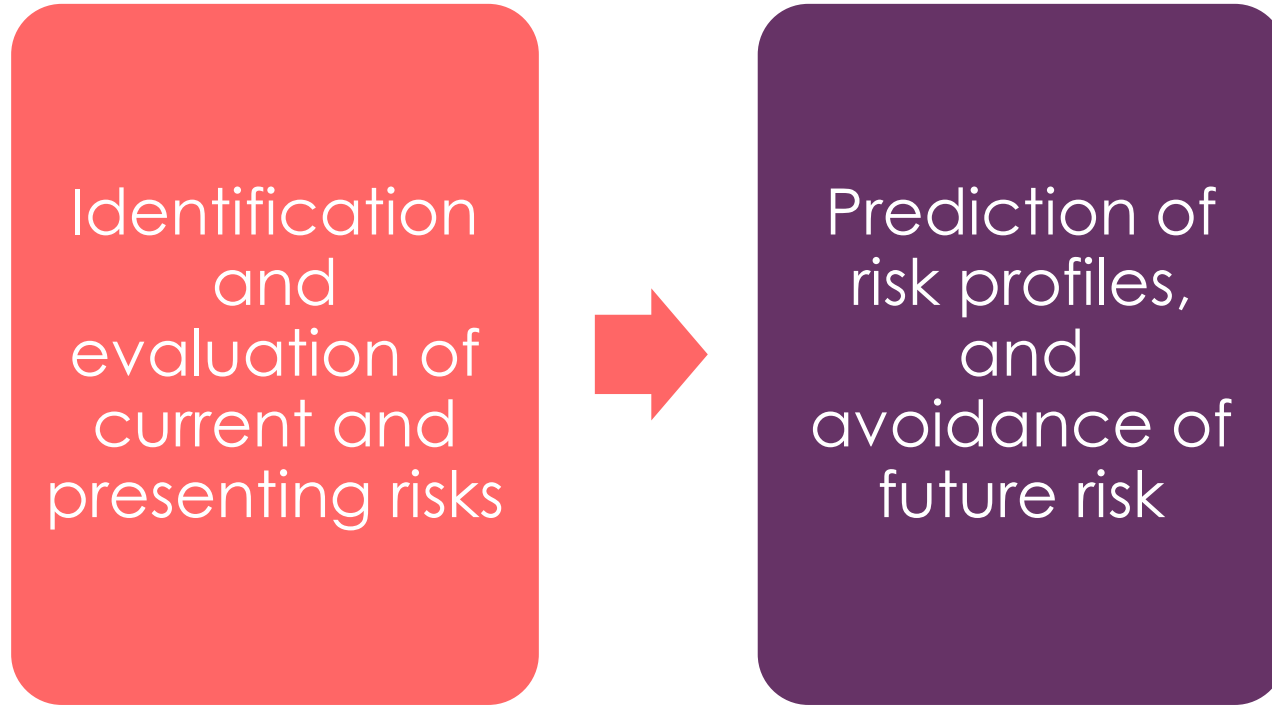
Full-time worker	Social activity: high
Part-time worker	Social activity: moderate
Physical activity: high	Social activity: limited
Physical activity: moderate	Student/teacher
Physical activity: limited	Late worker
Sportive	Clubber
Healthy walker	Brand loyalty
Healthy biker	Brand loyalty: restaurant/bar
Resto-lover	Brand loyalty: supermarket
Couch potato	Brand loyalty: petrol stations
Dog walker	Uber parent
Culture buff	Work-Life balance

Is the market  
ready (and are  
we)?

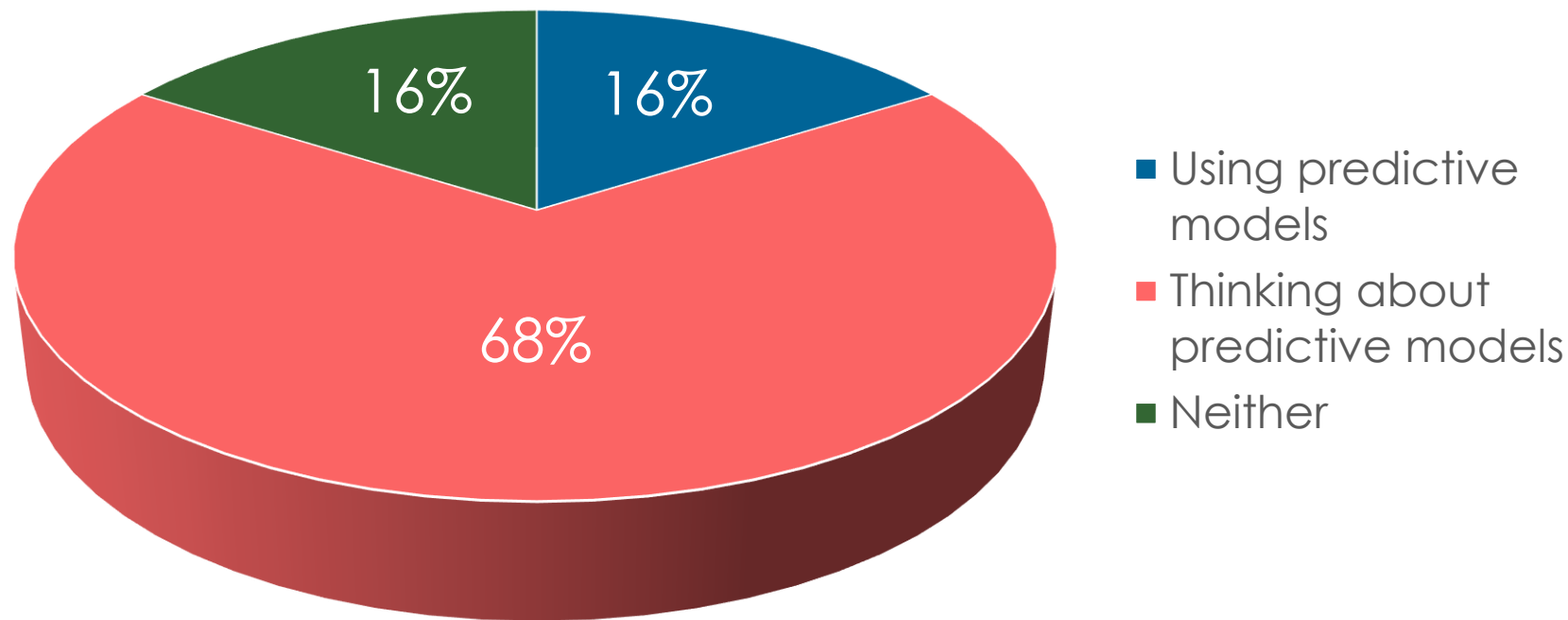


**HABITS**  
**AT WORK**

# The move to predictive risk models



# The move to predictive risk models



Source: Society of Actuaries - Understanding the Product Development Process of Life Insurance and Annuity Companies, March 2017

# Market already exists

*John Hancock*

*Vitality*

 **MAPFRE**





# Questions?



**HABITS**  
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