

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

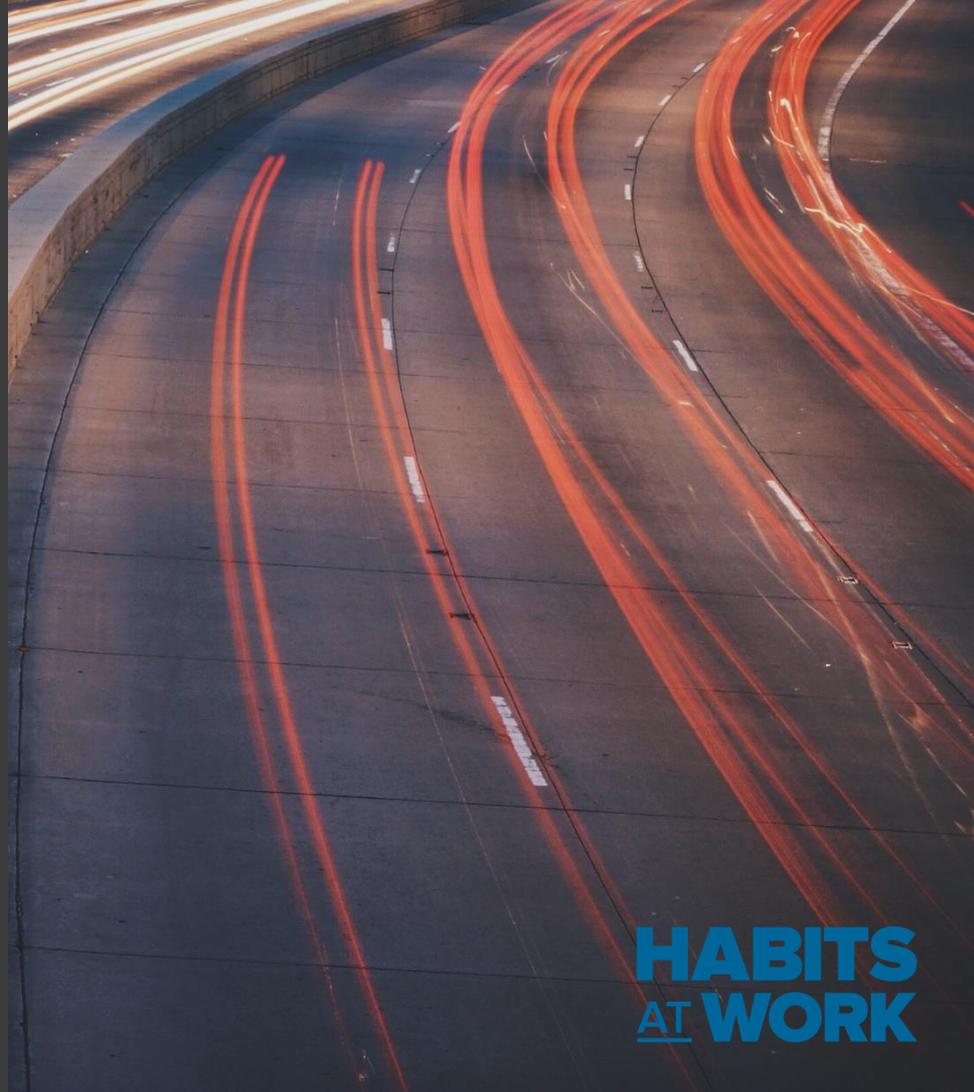
What do we need to be ready?

- ✓ 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?

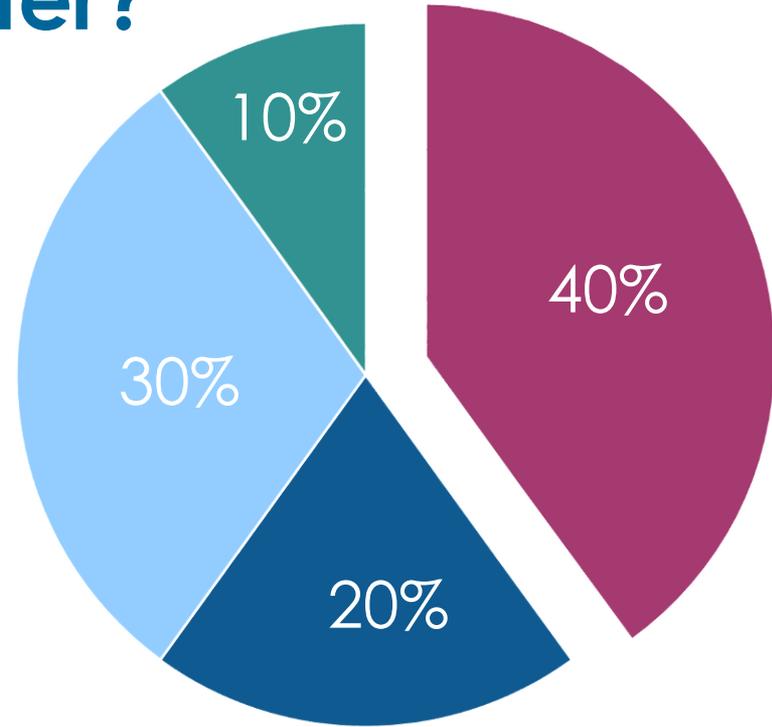
Does behaviour
affect risk?



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AT WORK**

Does behaviour matter?

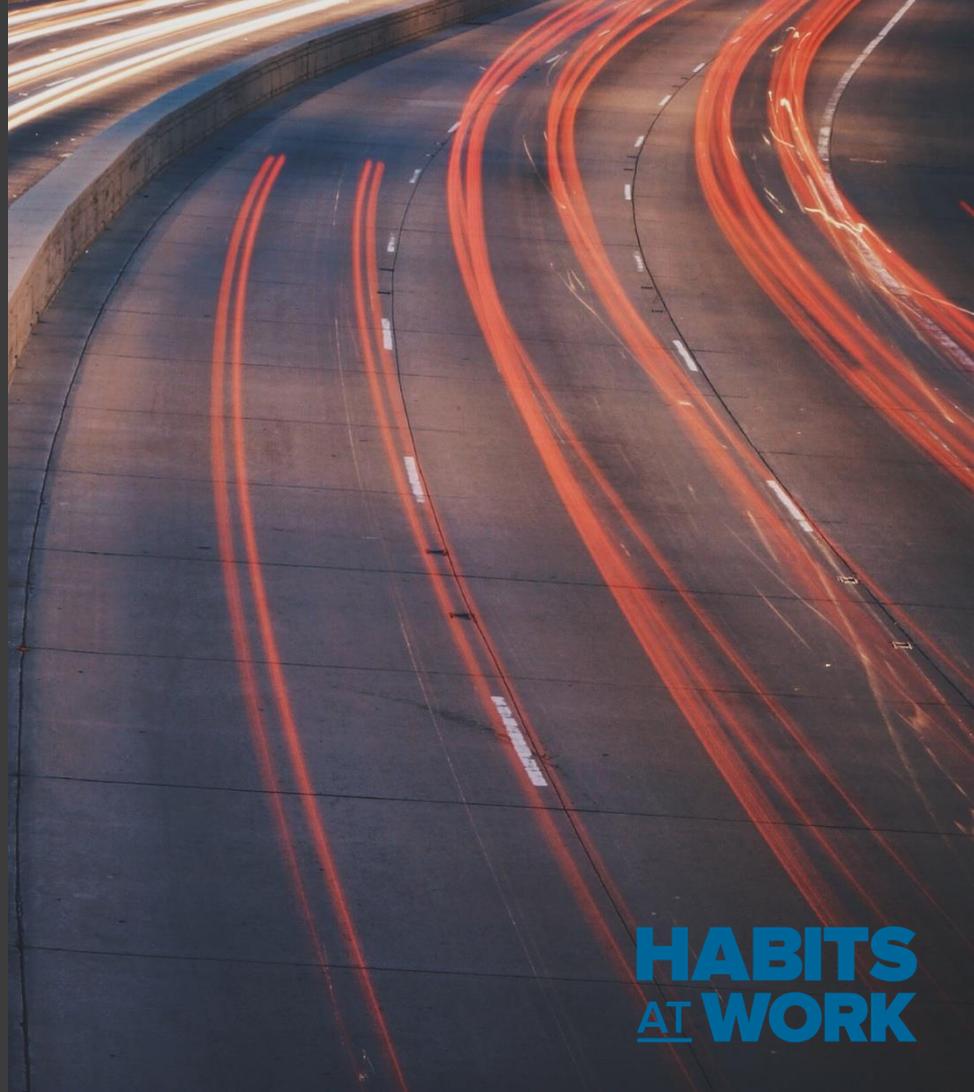
Drivers of health status



■ 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

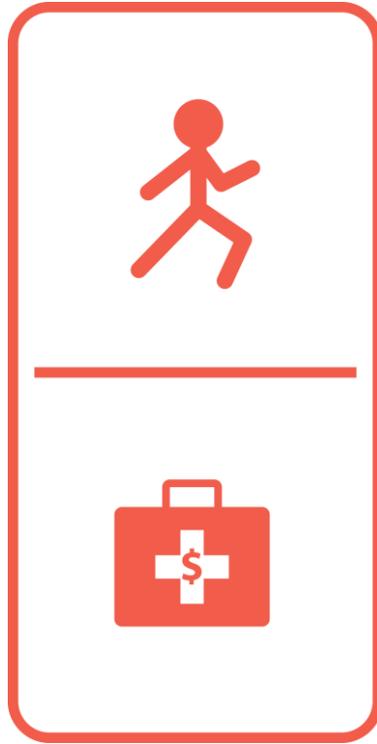
HABITS
AT WORK

'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



DOSEVALUE

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

Blood Sugar

Obesity

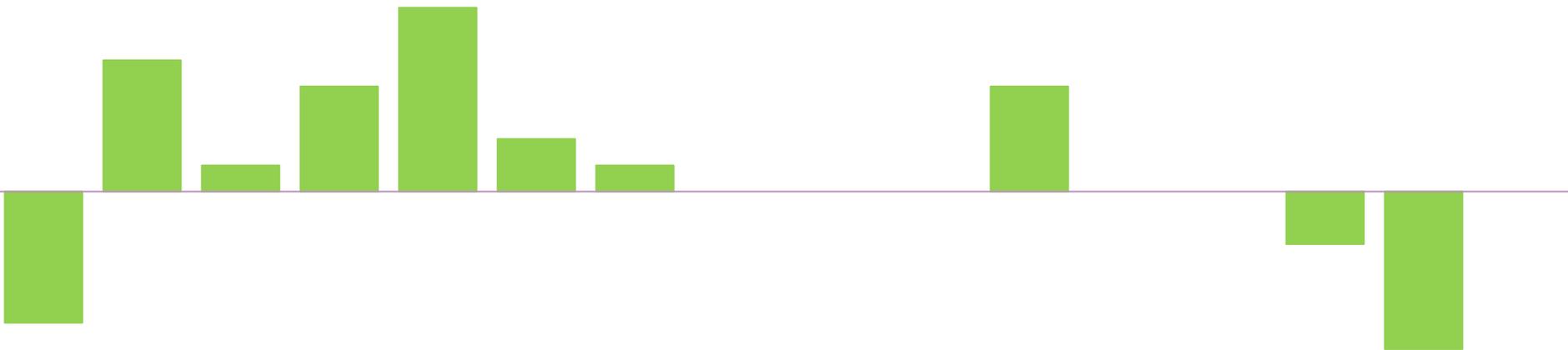
Cholesterol

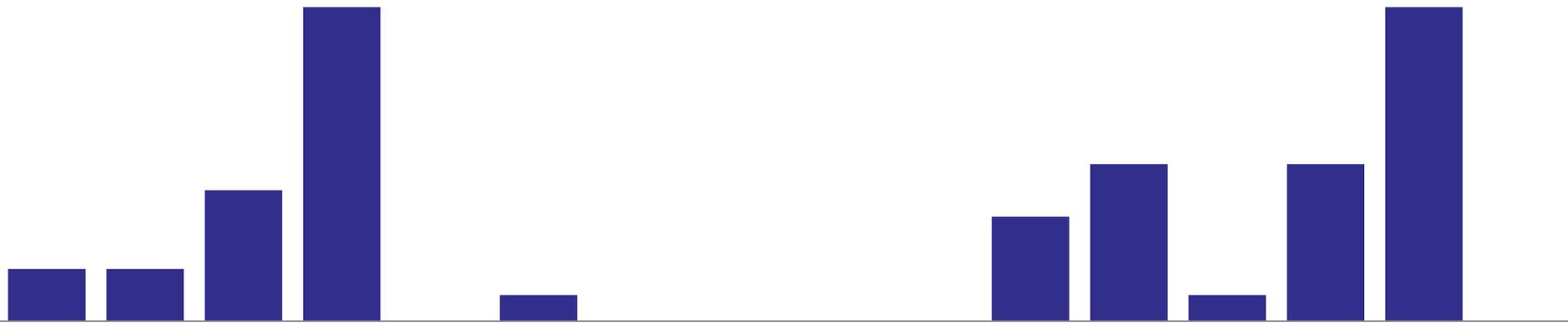
Cancer

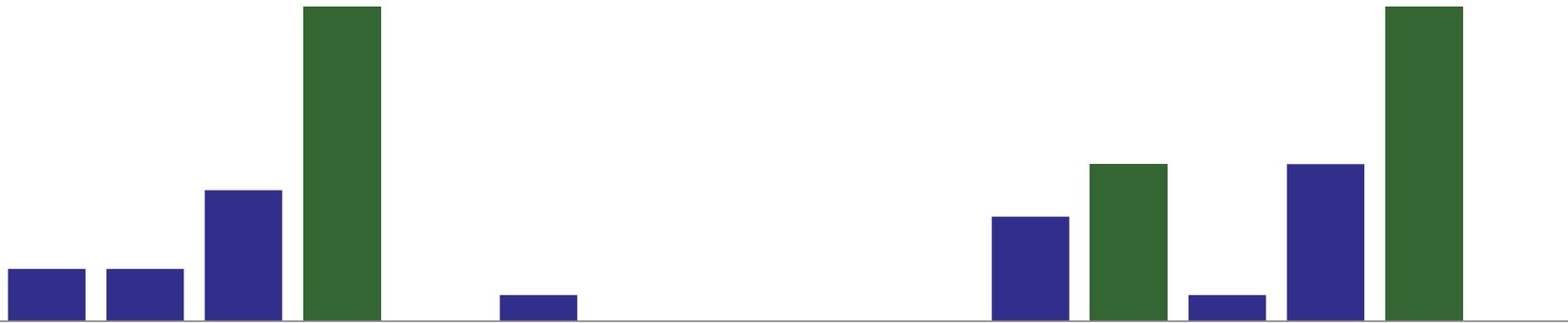
Fatigue

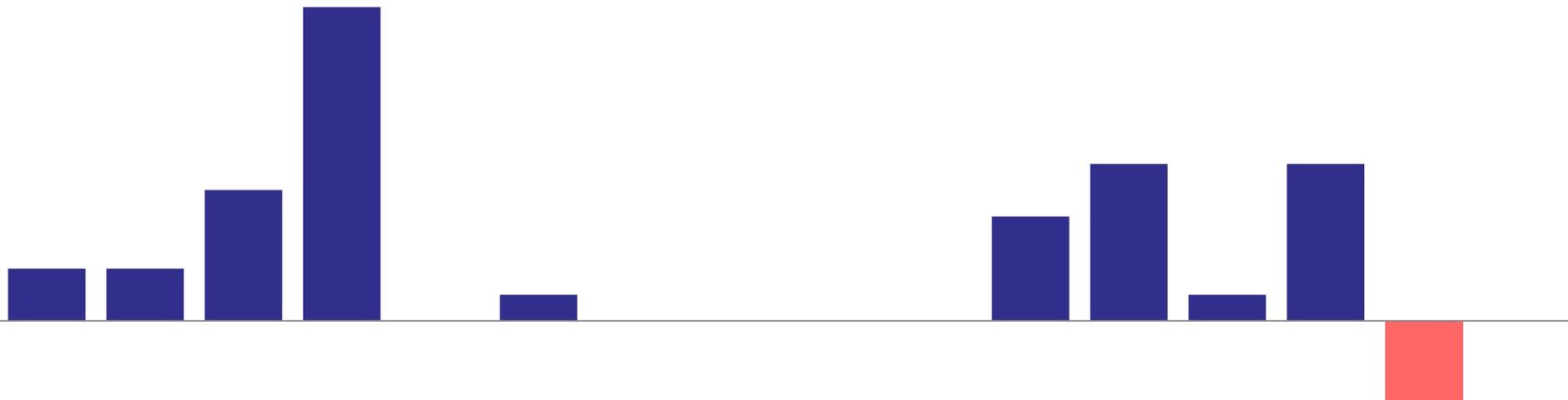
Heart Disease

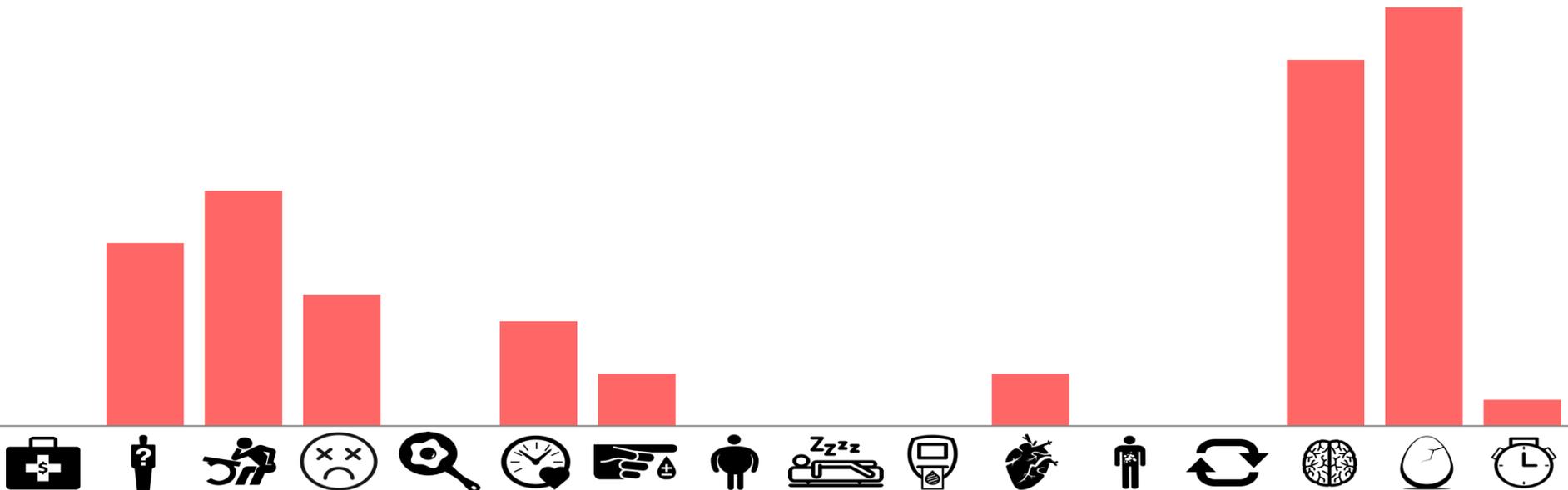
Diabetes

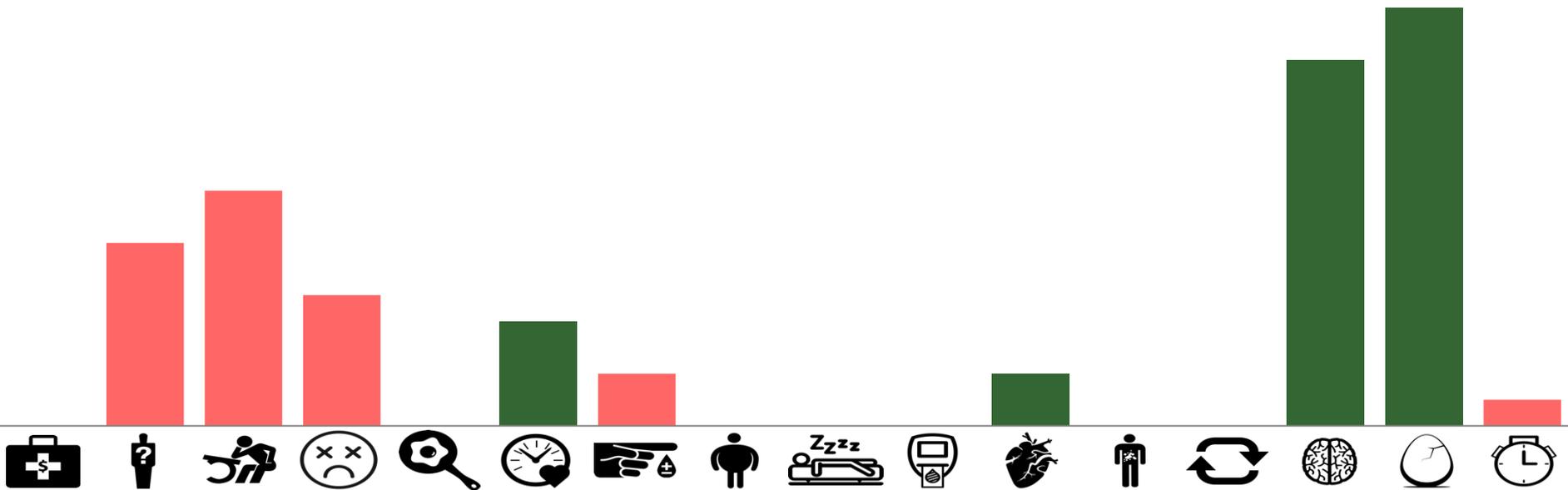


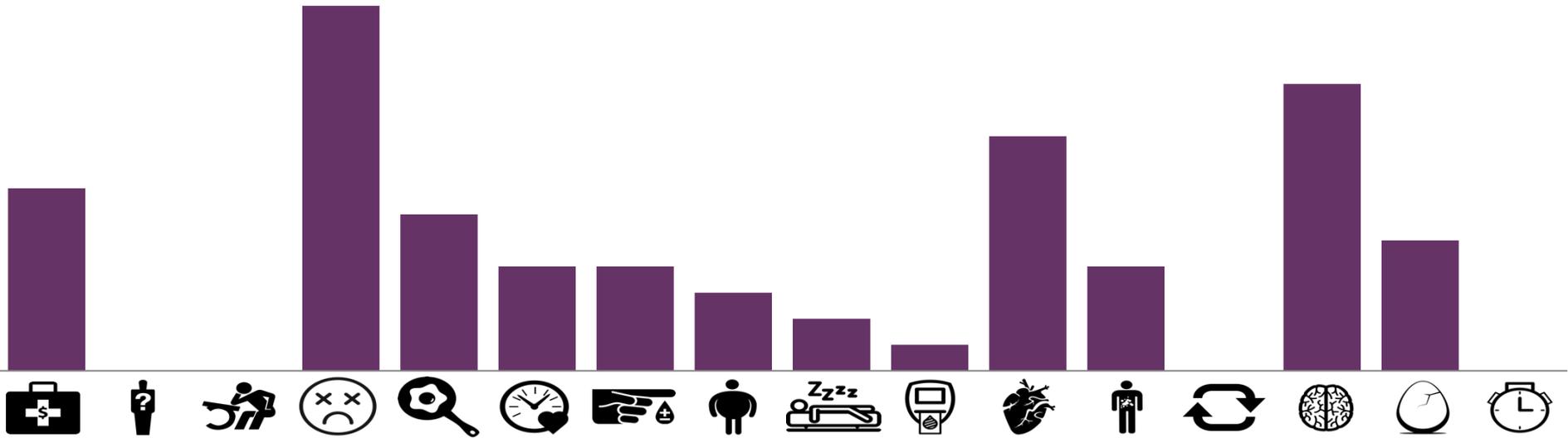


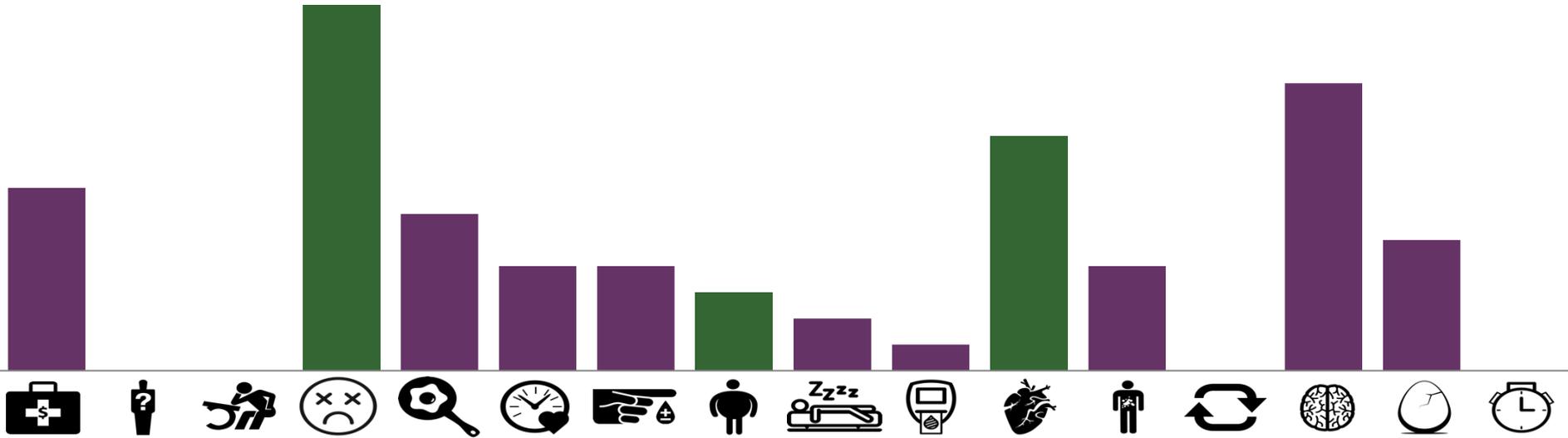


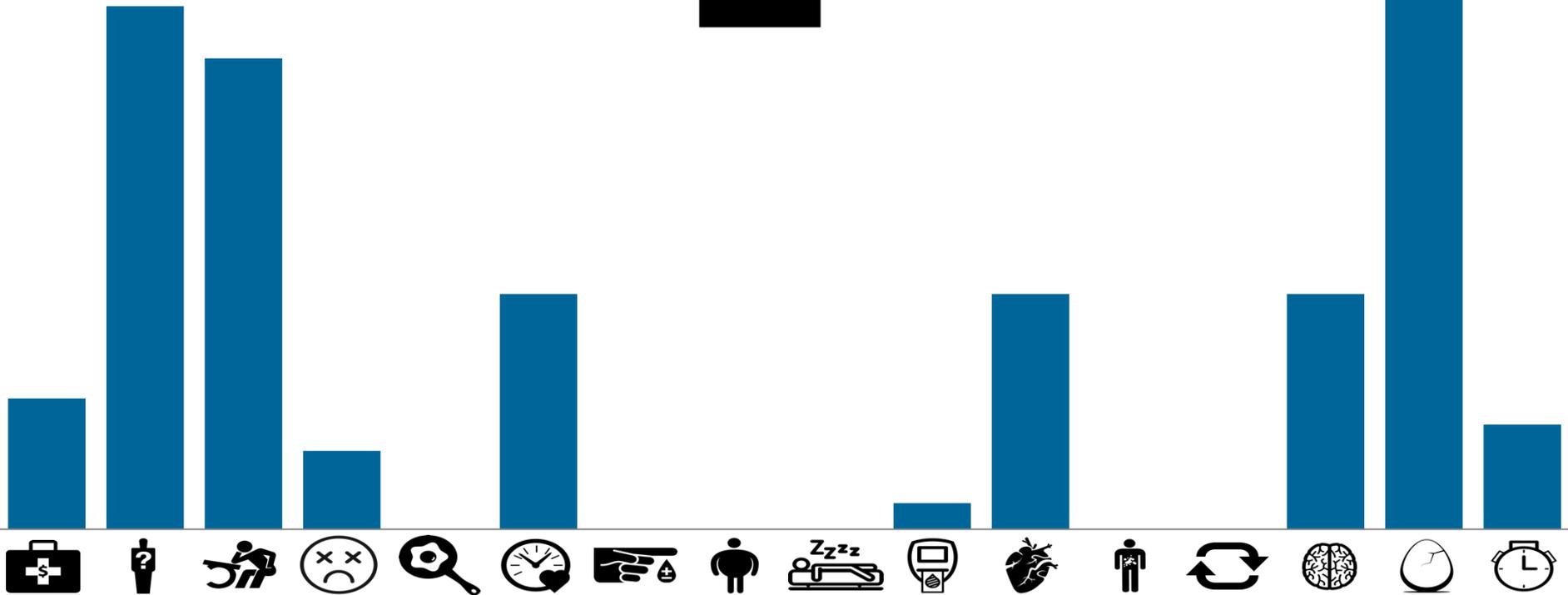


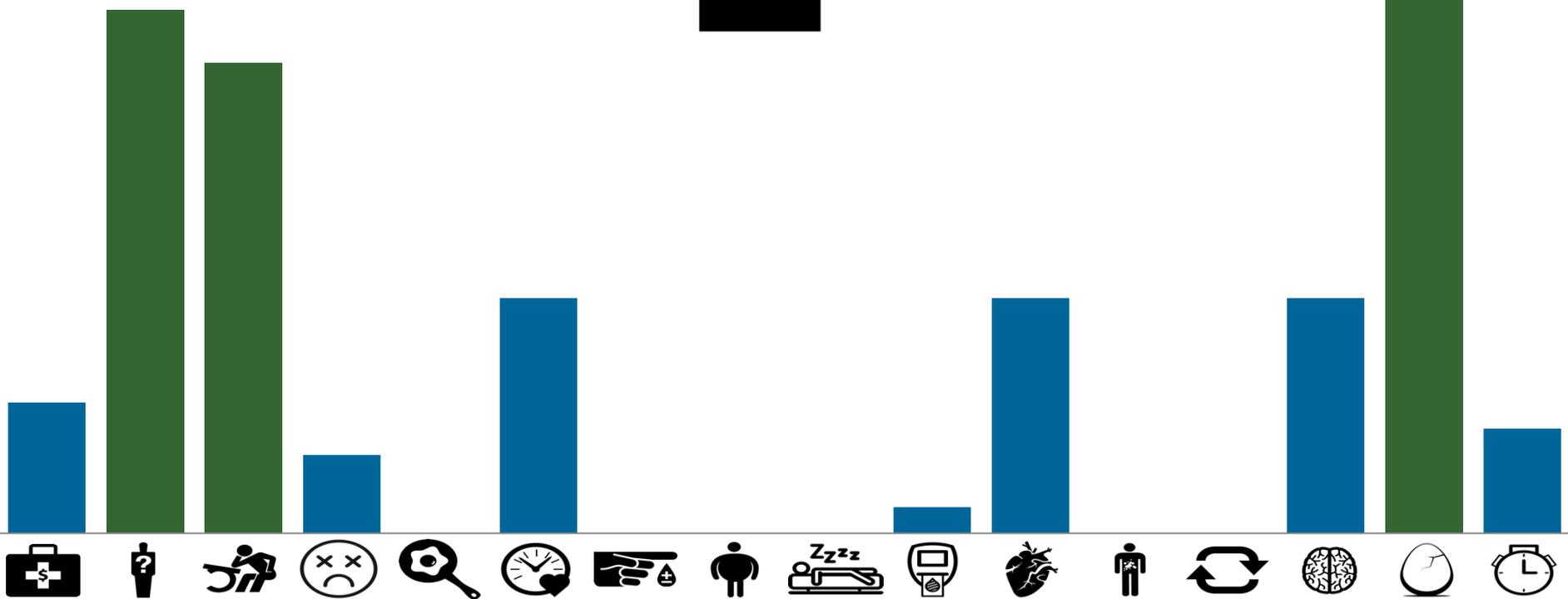






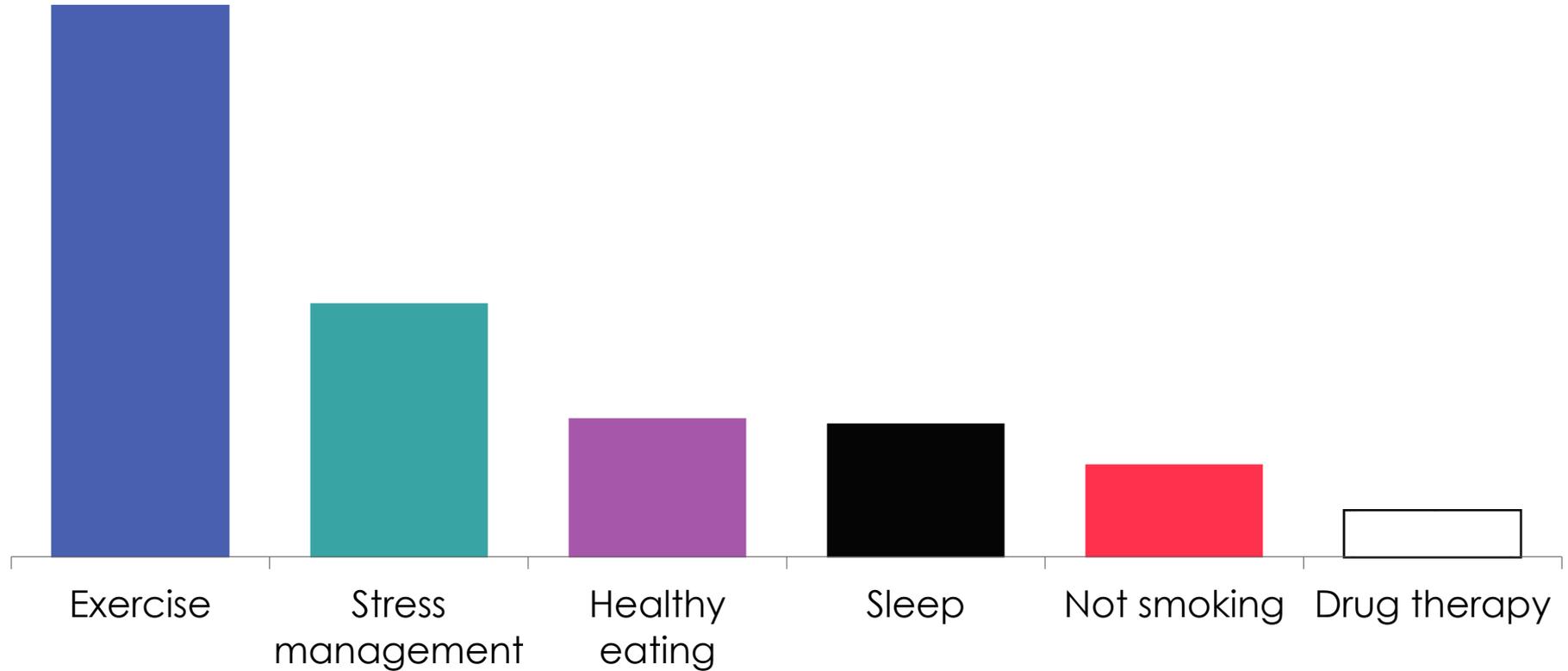




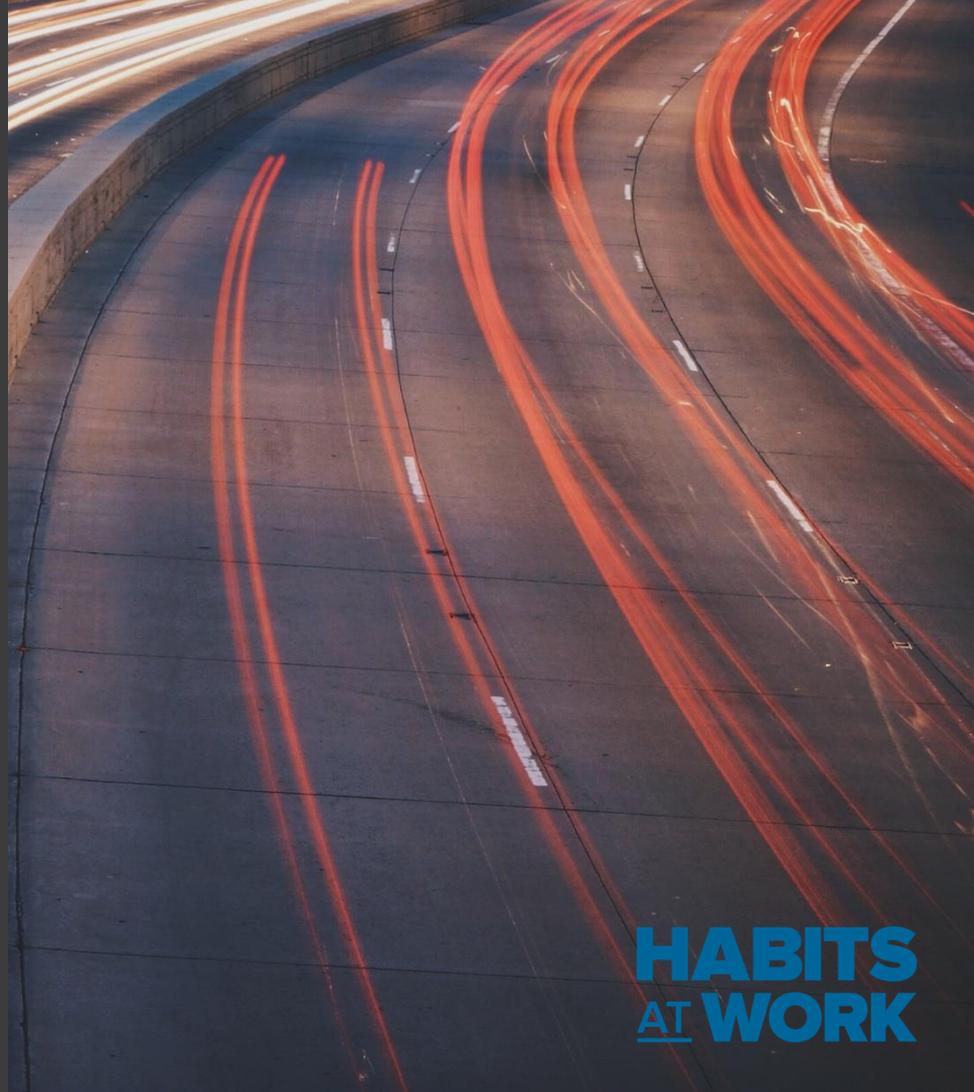




BRATLAB Impact Index



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 POWERS



CAPABILITY



MOTIVATION



BARRIERS



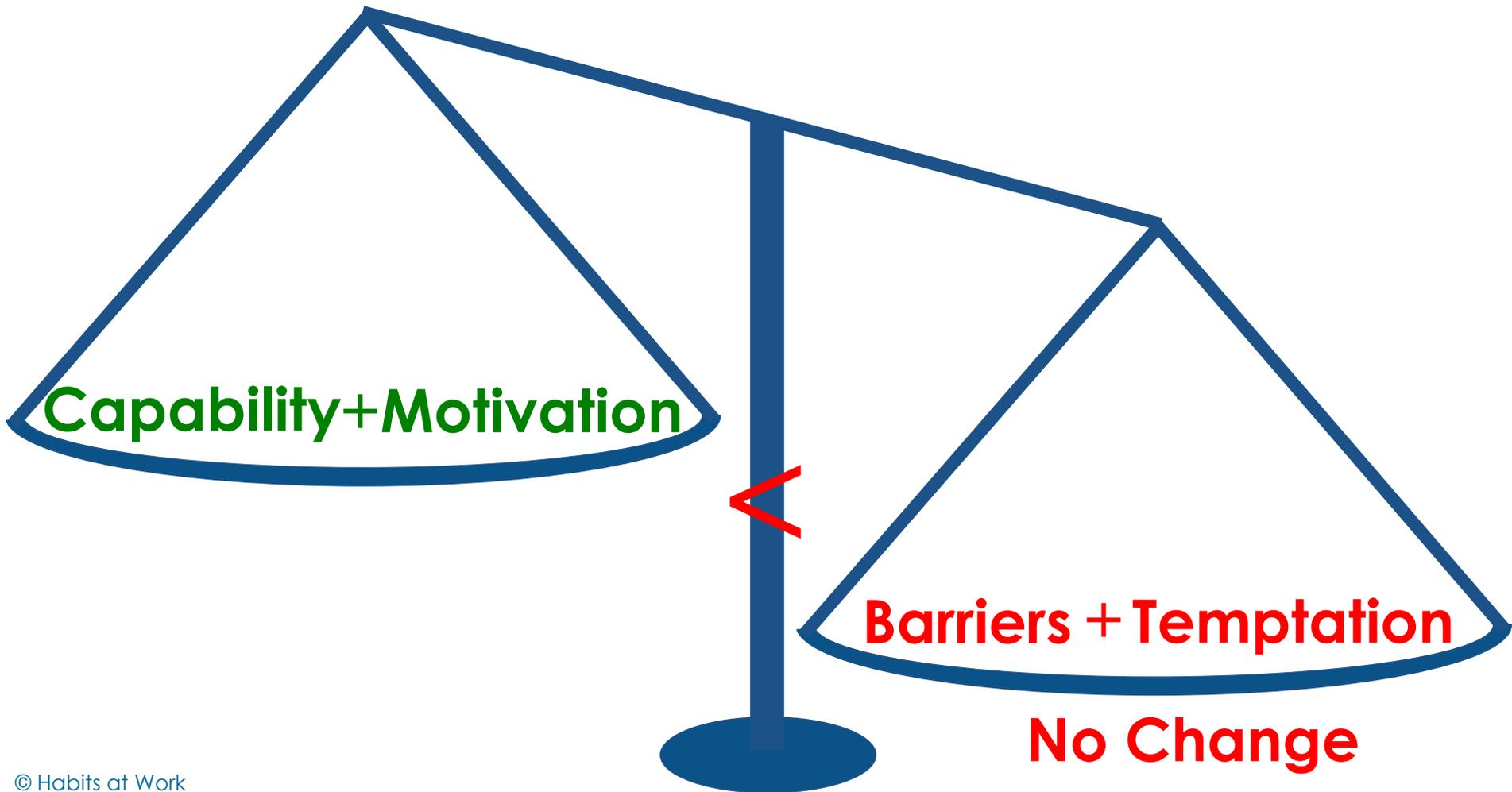
TEMPTATION

Capability

Barriers

Motivation

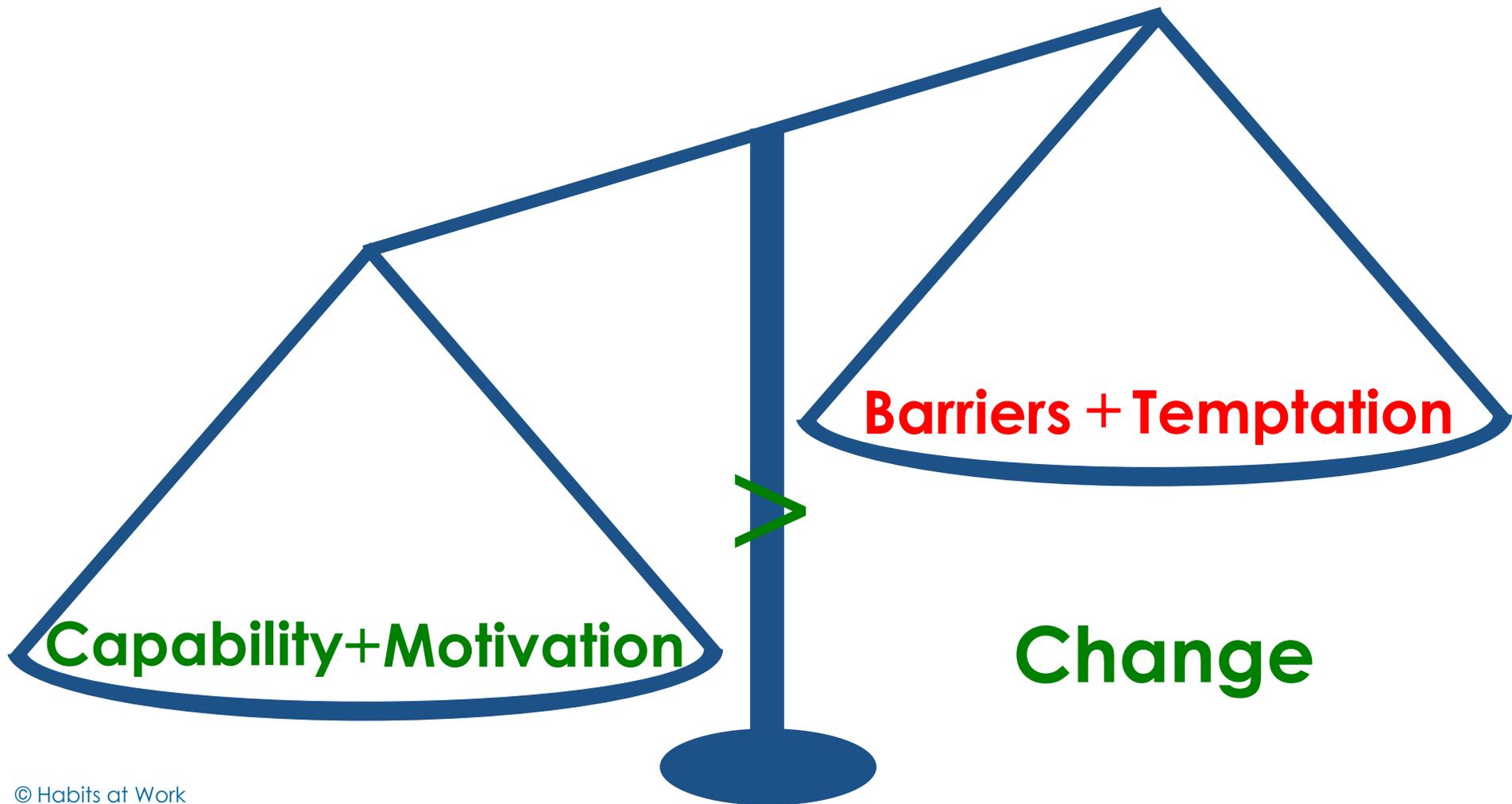
Temptation



Capability+Motivation

Barriers + Temptation

No Change



OUR FORMULA FOR HABIT CHANGE

Capability

Confidence + Competence

Barriers

Static Impediments to Action

+

>

+

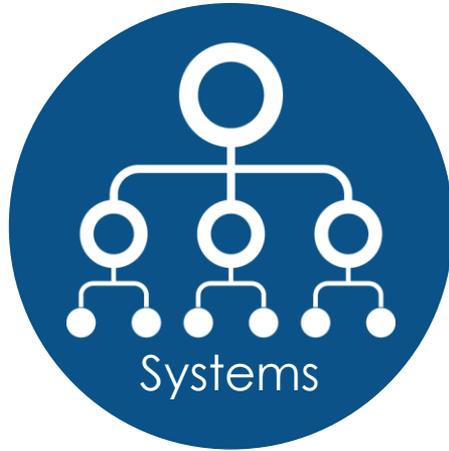
Motivation

Compulsion to Act

Temptation

Active Distractions from Action

LIFE CONTEXTS



FOURPOWERS

Contexts



Self



Social



Spaces



Systems

Powers

Grow
Capability



Inspire
Motivation



Overcome
Barriers



Resist
Temptation



FOURPOWERS

Contexts



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

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Inspire
Motivation



1

9

2

5

Overcome
Barriers



2

6

1

8

Resist
Temptation

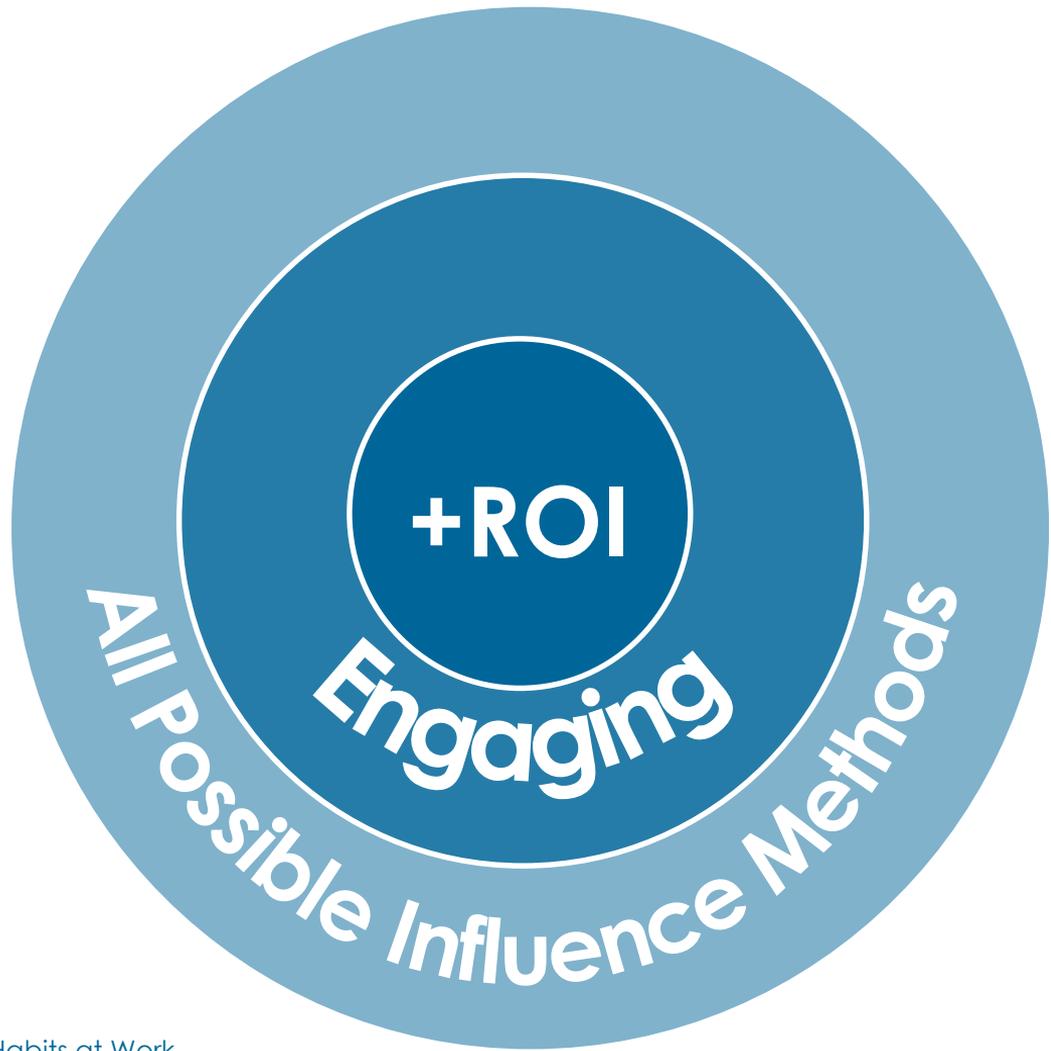


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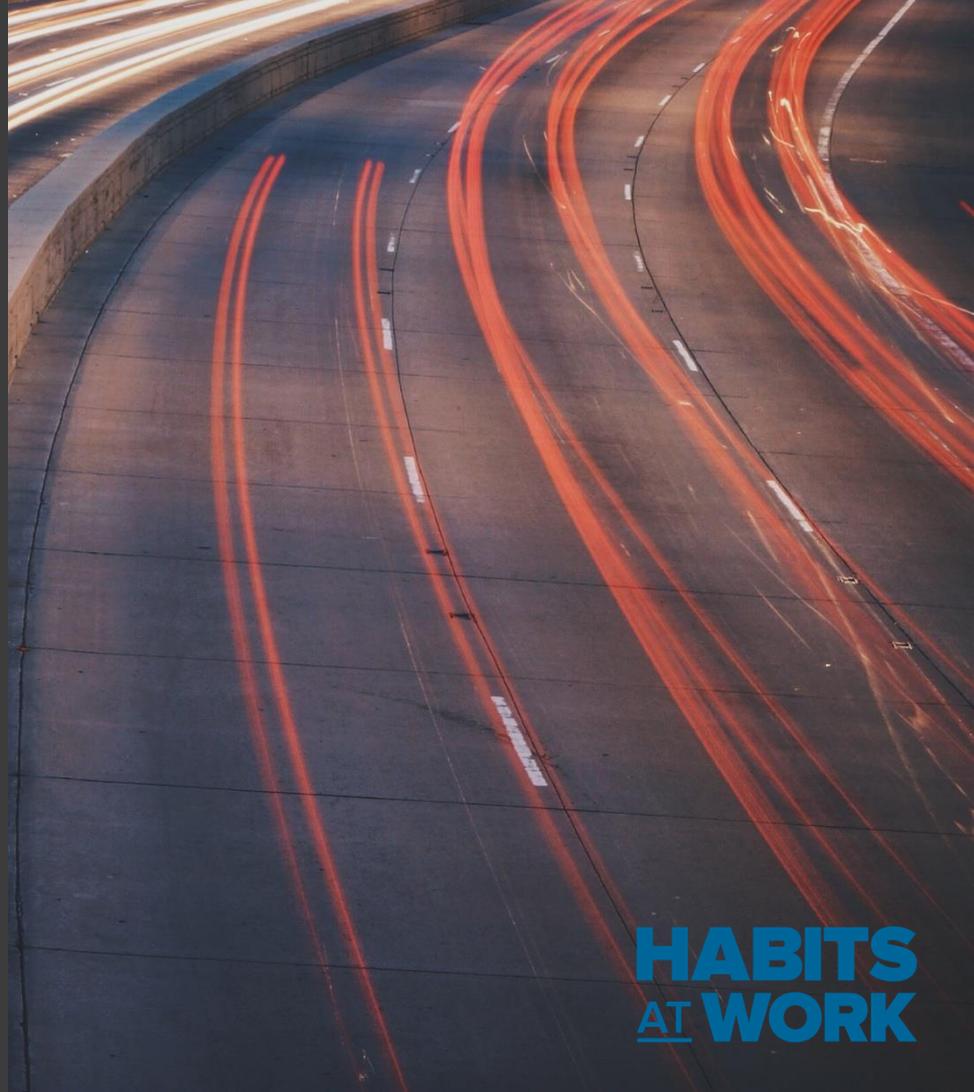
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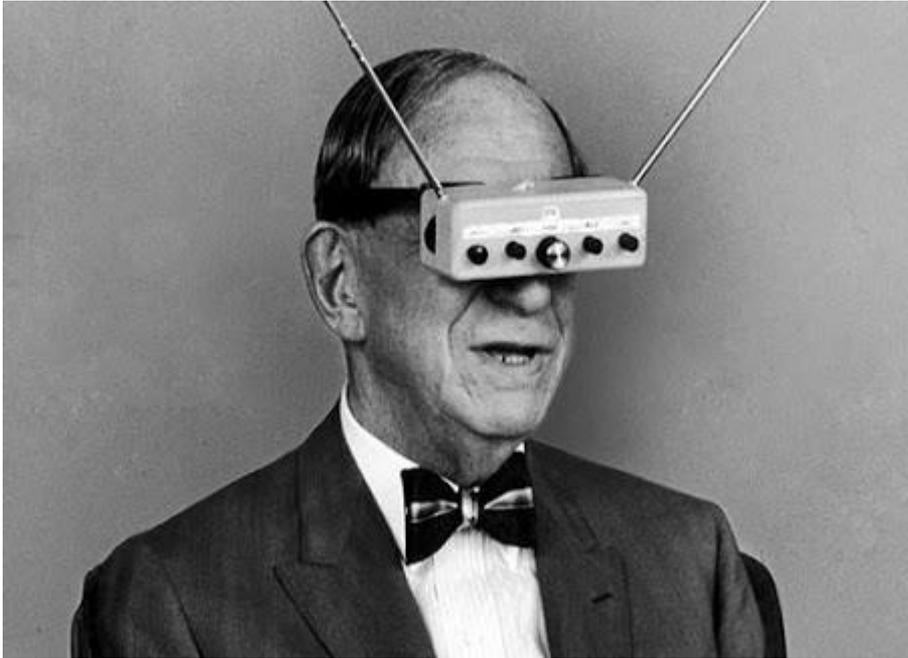
Which
Influence
Methods
are best?

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		

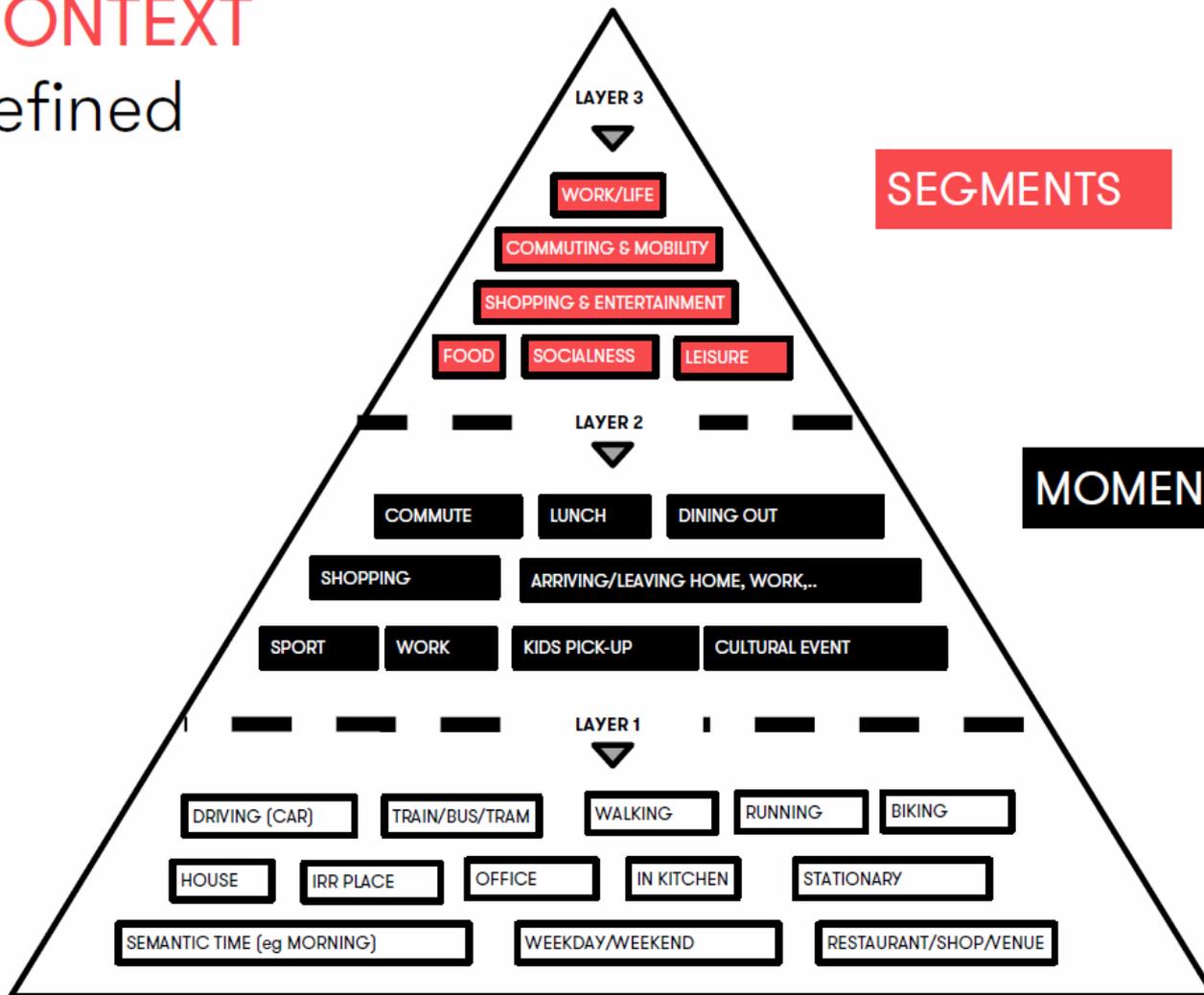
Source: Wearable Technology and Internet of Things Working Party 2017

Measurements already open to us

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Source: Wearable Technology and Internet of Things Working Party 2017

CONTEXT defined



SEGMENTS

→ WHO

MOMENTS

→ WHY

EVENTS

→ WHAT
WHERE
WHEN

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

Part-time worker

Physical activity: high

Physical activity: moderate

Physical activity: limited

Sportive

Healthy walker

Healthy biker

Resto-lover

Couch potato

Dog walker

Culture buff

Social activity: high

Social activity: moderate

Social activity: limited

Student/teacher

Late worker

Clubber

Brand loyalty

Brand loyalty: restaurant/bar

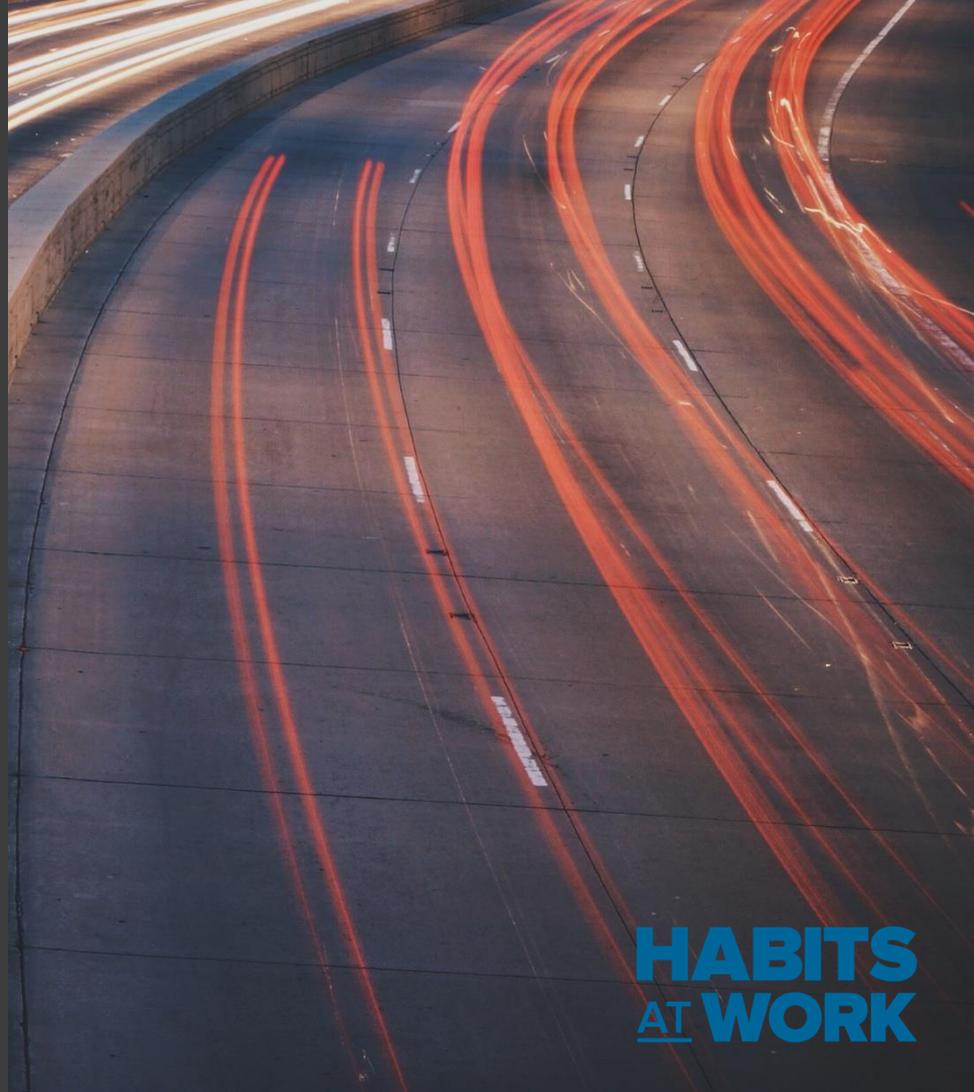
Brand loyalty: supermarket

Brand loyalty: petrol stations

Uber parent

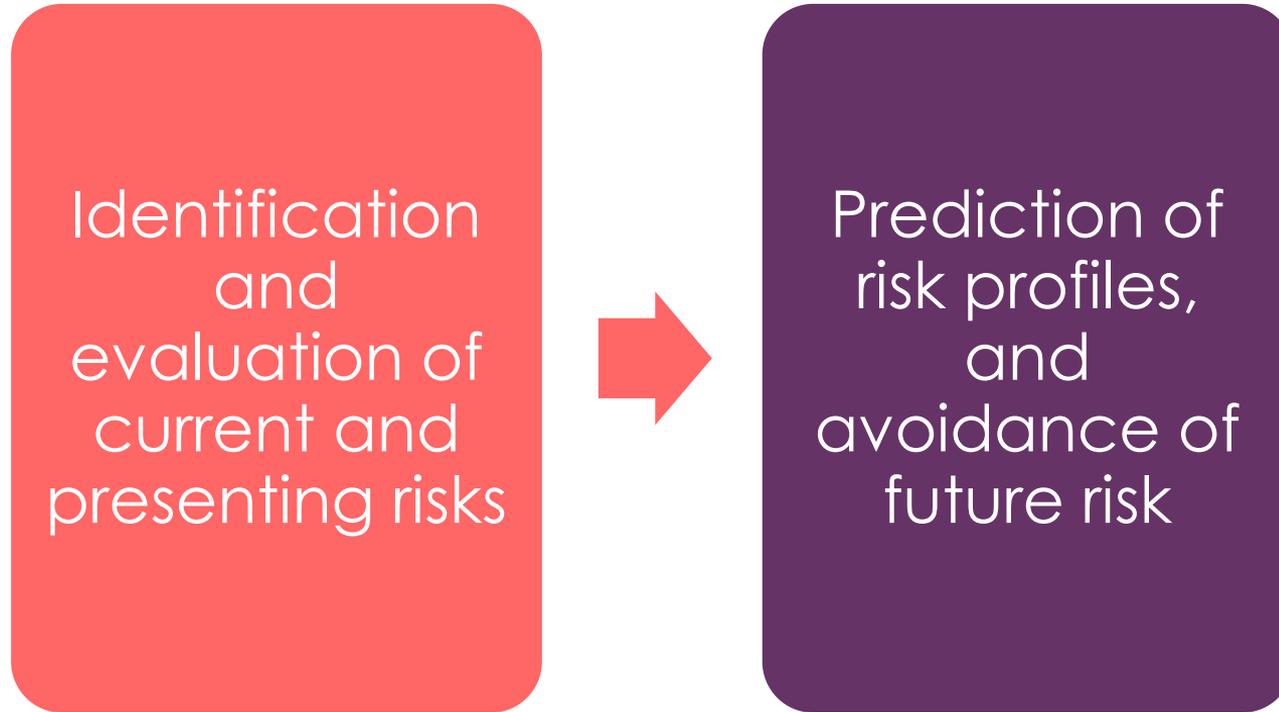
Work-Life balance

Is the market
ready (and are
we)?

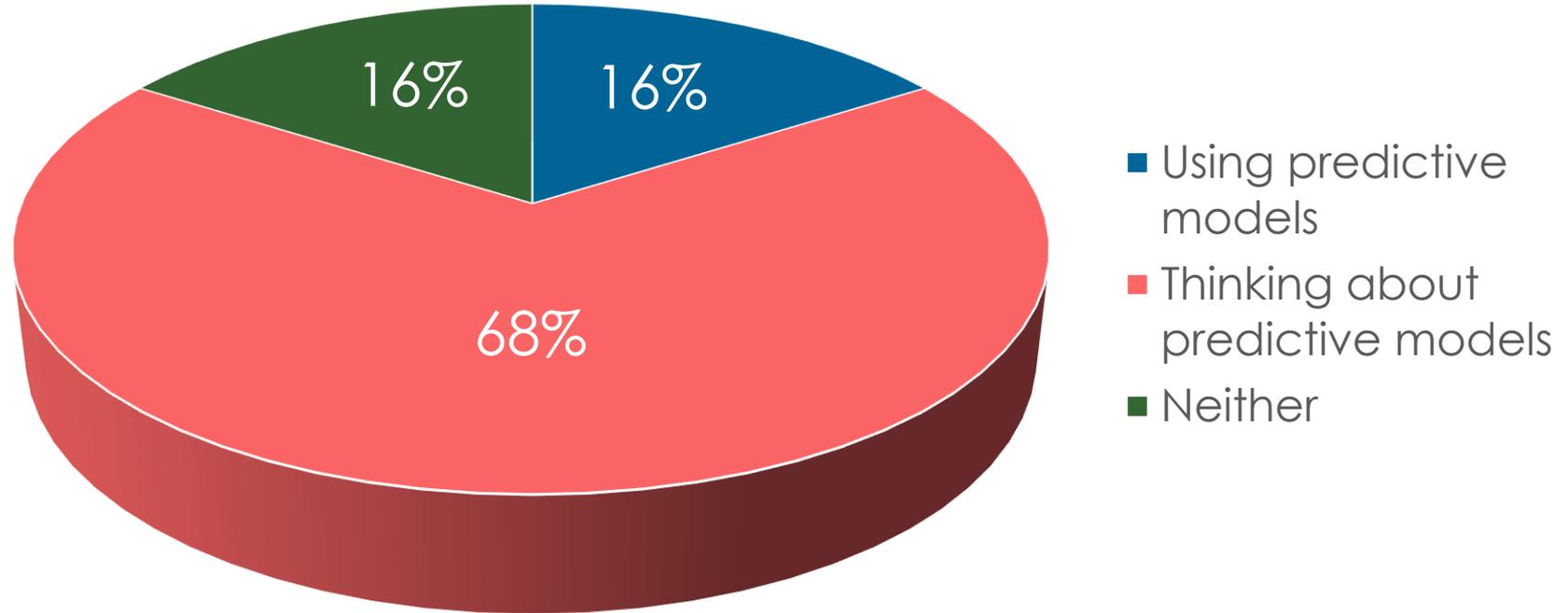


**HABITS
AT WORK**

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

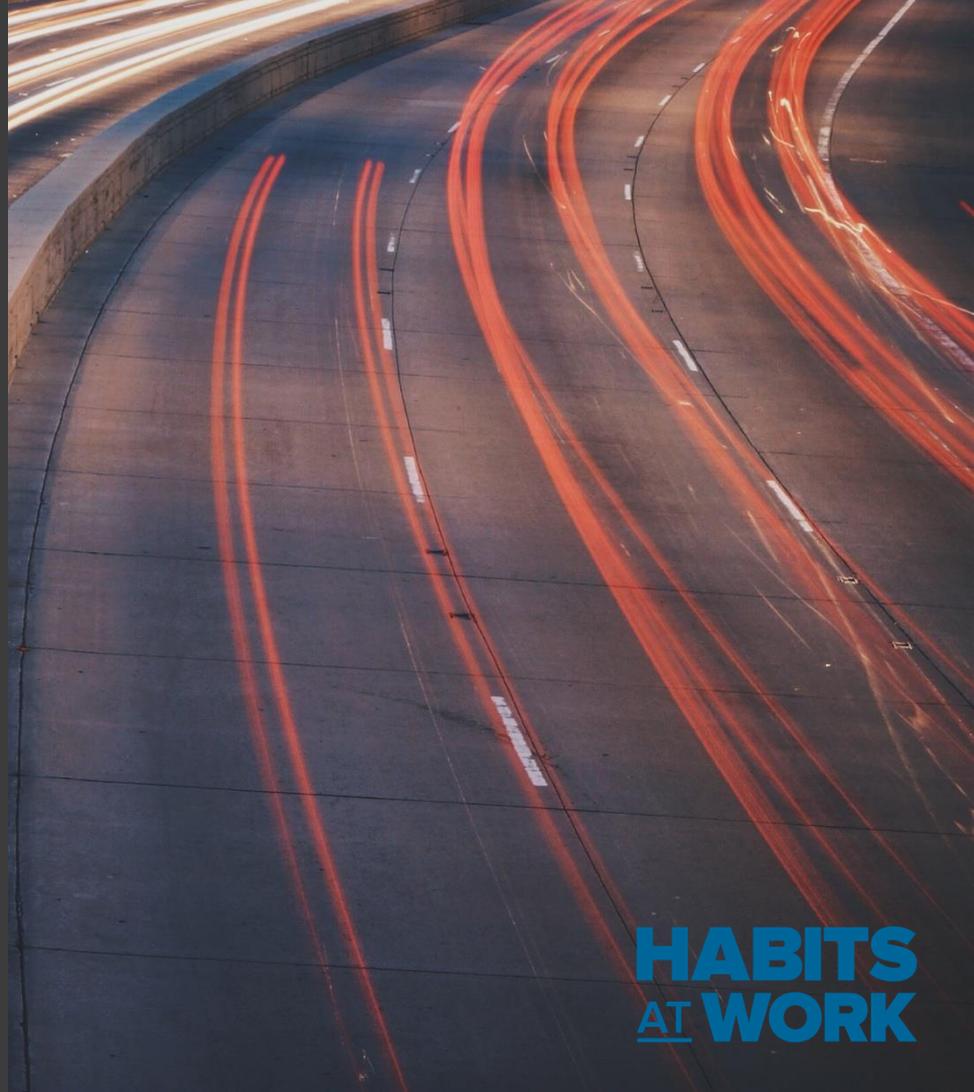
John Hancock

Vitality

 **MAPFRE**



Questions?



**HABITS
AT WORK**