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## Can behavioural "nudges" be used on GPs to help speed up claims payment?

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### Overview

- Introduction to Behavioural Science
- How Behavioural Science can help address insurance "pain points"
- Running a trial to help with Doctor turn-around times
  - the pain point
  - the trial
  - the results
- What next?



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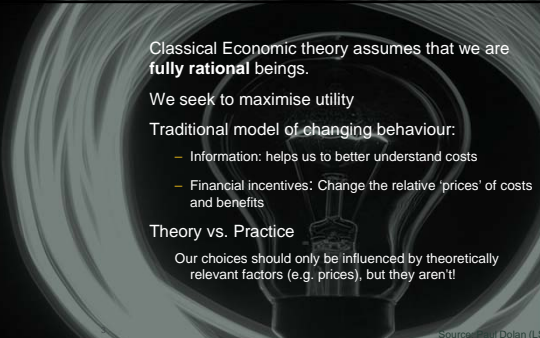
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Classical Economic theory assumes that we are **fully rational** beings.

We seek to maximise utility

Traditional model of changing behaviour:

- Information: helps us to better understand costs
- Financial incentives: Change the relative 'prices' of costs and benefits

Theory vs. Practice

Our choices should only be influenced by theoretically relevant factors (e.g. prices), but they aren't!

Source: [Dolan \(L&G\)](#)

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## Behavioural Economics

- Incorporates the lessons from psychology into the laws of economics (Nobel Prize for Daniel Kahneman)
  - System 1 vs. System 2 thinking
    - Automatic: fast, unconscious, associative and very low energy consumption
    - Reflective: slow, conscious, analytic and consumes a lot of energy.

(from Thinking, Fast & Slow)
  - we are mostly automatic beings (and evidence that this is mostly good)
- Therefore, we are hugely affected by context as well as simply content



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A  
B  
C

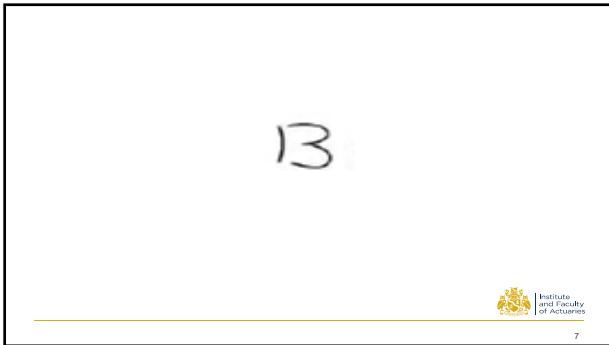


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### Conclusion: people are hugely affected by context (not just content)

... so run live trials to determine what are the *true* drivers of behaviour

Advice  
 Sponsorship  
 Thought Leadership  
 Community  
 Professional Meetings  
 Education  
 Working parties  
 Volunteering  
 Research  
 Shaping the future  
 Networking  
 Professional support  
 Enterprise and risk  
 Learned society  
 Opportunity  
 International profile  
 Journals  
 Support

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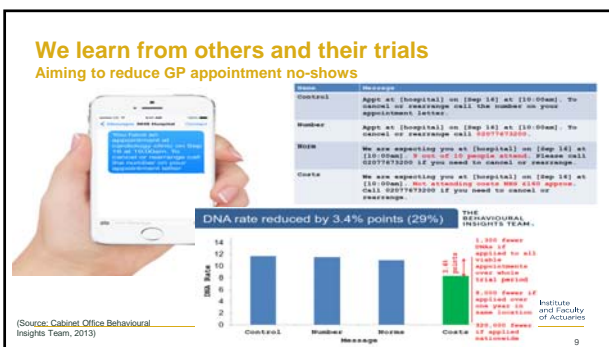
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### We learn from the academic research

#### Anchoring

$1 \times 2 \times 3 \times 4 \times 5 \times 6 \times 7 \times 8$   

Median guess  
512

$8 \times 7 \times 6 \times 5 \times 4 \times 3 \times 2 \times 1$   

Median guess  
2,250

Correct answer: 40,320

Source: Tversky & Kahneman

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### We tested it for ourselves, too

#### Anchoring

- Question 2: Population of London**

Group A

Population of London smaller or greater than 1m?

Greater: 100%

Smaller: 0%

Group B

Population of London smaller or greater than 20m?

Greater: 52%

Smaller: 48%
- Question 3: Olympics ticket sales**

Median: 700,000

Median: 1,980,000

→ Showing an "irrelevant" number led to 2.8 x difference between both answers

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### We learn from others and their trials

#### Applying Behavioural Insights to Organ Donation

- 9 out of 10 people support organ donation, but fewer than 1 in 3 are registered
- one opportunity to sign up is during car tax renewal or car registration (DVLA website)
- 1m visits over 5 week period – split by 8 variants – using Randomised Control Study

(Source: Cabinet Office Behavioural Insights Team, 2013)

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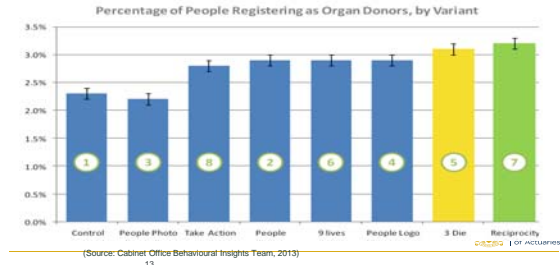
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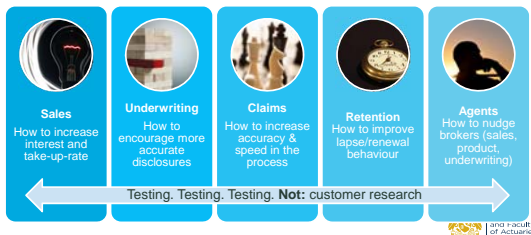
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## Results: reciprocity & fairness wins out



## What is your pain point?

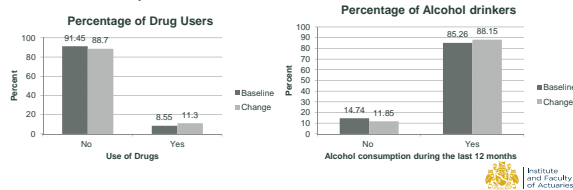
We bring behavioural insights for testing in a live environment



## Underwriting

Can we nudge people to be more honest/accurate?

- Evidence from Dan Ariely that "honour codes" increased honesty
- Moved honesty declaration from the end of the form to the start



### Underwriting: Smoking question

What if the framing of the question made a difference?


- Previous question wording:

9. Have you smoked, or have you used e-cigarettes or tobacco in any other form, during the last 12 months?

- Behavioural idea: introduce categories making people feel more comfortable to answer the question.
- The new behavioural economics wording:

4.3. Regarding your smoking habit, which one of the following applies?  
 more than 10 per day ☐ occasionally or less than 10 per day ☐ none, vape e-cigarettes, bubble-tobacco, chew tobacco ☐ do not smoke ☐

- We compared applicants who asked the old question vs the new question between 1 August – 30 November
- Results:
  - A significant **increase** in proportion of applicants reporting 'smoker'.
  - A significant **decrease** in proportion of applicants reporting 'non-smoker'.




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### Within claims, what might be your "pain point"?



Turnaround Times

Accuracy of disclosure

Improving Customer Experience

Claims duration management

Rehabilitation

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### Objective

- To pay claims quicker for the customer
- Reduce E2E time
- Reduce costs



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### Turnaround times pre-trial

- Critical Illness: in the last 12 months we made 974 medical information requests to GPs and 510 to Specialists
- Terminal Illness: in the last 12 months we made 180 medical information requests to GPs and 431 to Specialists
- The average time taken to receive information on CIC is 33 days
- The average time taken to receive information on TIC is 24 days



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### One idea – the envelope



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### Money doesn't drive behaviour

#### PAYMENT

Doctor's name:		We will pay a fee of £30 for this report as well as a reasonable fee for copies of letters. Please provide your BACS payment details:
Date:		
Signature:		
Practice name and address:		
		Account name:
		Account number:
		Sort code:
		Reference:

- Reduced GP payment from around £80 to £30
- Reduced Specialist payment from £200+ to £70
- No change in behaviour!
- Reduced our medical fees cost from £10k pcm to <£5k



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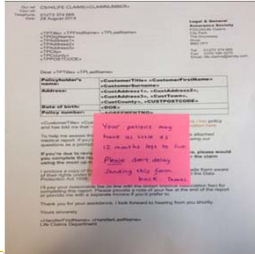
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## Saliency and Emotional theories – TIC Spec letters




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## What was done differently

- Briefed claims assessors
- Gain their buy in
- GP letter printed in colour
- Post-it attached to Specialist letter
- Sit back and wait and track results!



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## Complications.

- Legal & General enforced a 'Post-It ban' in an effort to save costs!
- Solution: Jen smuggled them in to the area
- 2 Specialists returned the completed report:
  - with their own Post-It attached
  - but in record time!
- Some difficulties with historical data



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### The results – Critical Illness claims

- Intervention: anchoring message on GP requests
- Intervention period: Sept 2014 – Jan 2015, compared to same period a year earlier (to allow for seasonal effects)

Period	10 days	20 days	30 days
Pre-intervention	16%	45%	63%
Post-intervention	19%	51%	73%

- Improvements in all time-windows
- Statistically significant more reports coming in by day 30

✓ Statistical significant



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### The results – Terminal Illness claims

- Intervention: Salience & Reciprocity message on Specialist requests (the post-it notes)
- Intervention period: Sept 2014 – Jan 2015, but absence of data in Sept-Nov 2013 meant we were limited to Dec-Jan in each year

Period	10 days	20 days	30 days
Pre-intervention	22%	56%	73%
Post-intervention	31%	59%	85%

- Improvements in all time-windows, statistically significant at 30-day period

✓ Statistical significant



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### Future ideas

- Working with Dan Ariely, American professor of psychology and behavioural economics and author of Predictably Irrational through Swiss Re
- Could transfer the anchoring message to Specialist reports or the Post-It to GP reports
- Encourage return rate on:
  - customer supplied evidence
  - checking your details form
  - declaration of health and policy lapses
- Improve communication on declined claims



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## References

- Cabinet Office Behavioural Insights Team (2013). *Applying Behavioural Insights to Organ Donation: preliminary results from a randomised controlled trial*. Available at <https://www.gov.uk/government/organisations/behavioural-insights-team>. Accessed Jan 2014.
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