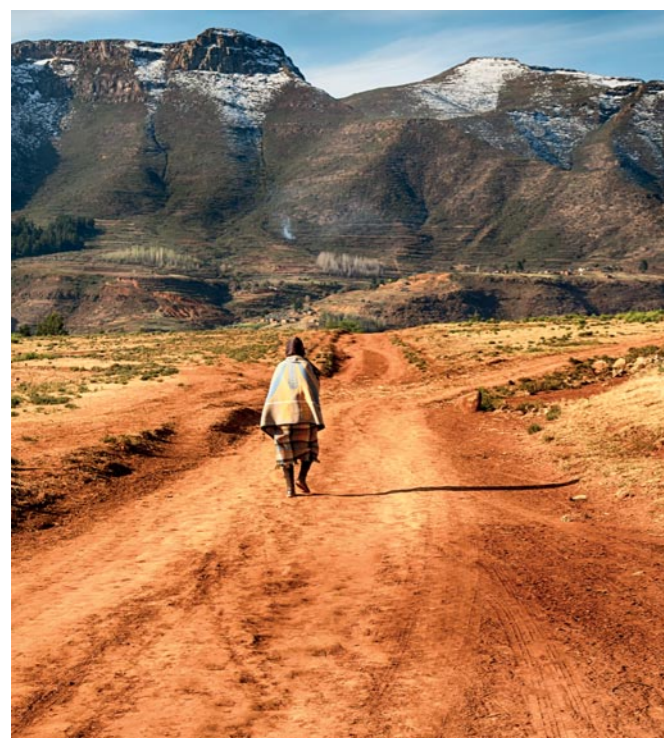




Health and wellbeing at a crossroads: A South African perspective

Non-communicable diseases and critical illnesses are on the rise. The result is that health costs, in both the developed and developing world, are increasing rapidly. The Netherlands has not managed to evade these changes and, as a consequence, has seen a fall in overall wellbeing across all echelons of society. Yet there are solutions. New data, new technology and new ecosystem networks make it possible to better manage health and wellbeing risks and outcomes.



INSURANCE AND TECHNOLOGY COLLIDING

Insurance has become increasingly technology-driven. The Internet-of-Things is increasing the transparency and our understanding of risks and behaviours. New mobile health technologies are empowering patients with more information and control over personal health. Smartphone applications and new medical devices are creating real-time data, making real-time interventions possible. Social media are connecting patients and providers in new ways. Wearable and implantable technologies are helping patients to manage their health even when they are on the move. As sensor technology continues to evolve, it will be possible to monitor a wide range of biomarkers that can help with preventing, monitoring and managing non-communicable diseases. All of these technologies offer wonderful opportunities for improved living standards, but can also cause one to lose track of what the actual vision and aim of health and wellbeing programmes are and how to build them effectively.

WHAT IS HEALTH AND WELLBEING PROGRAMMES?

There is no single definition for health and wellbeing programmes. Because such programmes vary in size and shape, and are typically tailored to the needs, culture and infrastructure of each separate market, the general consensus is that there are four pillars on which all health and wellbeing intervention programmes are built:

- Physical (e.g. exercise metrics);
- Mental (e.g. stress level);
- Social (e.g. work/life balance);
- Financial (e.g. level of savings).

These pillars represent only the foundational blocks of a programme. More specific interventions may include elements such as digital access to health information, health programmes for targeted groups, rewards, personalized content and goals.

AN OVERVIEW: SOUTH AFRICAN INSURANCE MARKET

South Africa may sound like a strange choice to compare health and wellness programmes, yet it has one of the most interesting success stories to tell: Discovery Vitality, which has grown in about 20 years to one of the largest wellness programmes in the world, with operations in nearly 20 countries, has its roots in South Africa. As a former employee, I learned some vital lessons about the challenges and opportunities of wellness programmes, and have identified nine lessons.

Before turning to these lessons, it is perhaps useful to have some context about the South African market. The market for private healthcare products in South Africa is dominated by medical schemes (health insurers). These health insurers operate similarly to not-for-profit trust funds. The market is based on the principles of solidarity and community rating and provides members with a set of prescribed minimum benefits. South African health insurers are not allowed to give premium discounts to selected individuals. Wellbeing programmes are, therefore, usually created as separate companies. These companies charge a monthly premium for joining members and they offer various financial benefits based on members' interaction within the programme.

W Fourie (FASSA) is an actuary working at EY Netherlands. He has assisted with launching and optimizing digital wellness programmes across global markets.



South Africa possesses a comprehensive TCF (Treating Customers Fairly) regulation and the South African POPI Act (EU GDPR equivalent) will become effective during 2019. The concerns around data, privacy and fairness are, therefore, very similar between the Netherlands and South Africa.

The lessons and observations that can be made from the successful emergence of wellness programmes in South Africa can provide vital insights into how to construct and operate such a programme in the Dutch market.

Lesson 1: Learn to walk, before you run

Programmes in the South African market did not start with a general solution for all pillars. The programmes mainly focused on delivering key value propositions to entice user engagement based on a single pillar. Companies that try to launch programmes that cater to all pillars run the risk of having a high amount of inefficiencies and a very low return on investment in the short term. It is always better to start out small and expand over time.

Lesson 2: Maintain a one-stop-shop

It is critical to ensure that users have a single point of contact through which they can access all available resources and tools that a programme offers. This is especially vital when it comes to enticing continuous programme engagement. Users need easy access to the resources or strategies which best suit them.

Lesson 3: Mental health is complex

The South African market has still not developed a comprehensive mental health solution. It has proved to be challenging to offer any sort of financial incentives for mental health related treatments. The South African solution is to mainly tackle mental health through improved physical wellness and ensuring that digital resources are available. The emergence of smartphone applications (e.g. Headspace) allows for better intervention strategies.

Lesson 4: Be on the lookout for fraudsters

Discovery Vitality recently showed that fraud is an ever-present danger and that it has a real impact on business. It is important to always consider the unintended consequences of an incentive; the greater the reward, the higher the likelihood that people may take advantage of the system illegally. Programmes can often not account for all the different ways people may react. Designing a simple system with strong oversight can reduce losses significantly.

Lesson 5: Embrace new technologies

New technologies are being released to the market on an almost daily basis. Although it can be quite difficult to separate the useful from the less useful, the right new technology can lead to improved intervention strategies and better results for both clients and the insurers. It was only a few years ago, for example, that the South African market did not offer any rewards for heart rate physical exercises. With better technologies – such as smart watches – these rewards are now commonplace.

Lesson 6: Never stop developing

Continuous development is key to a successful programme. Discovery Vitality launches new features and makes programme adjustments at least once a year. This ensures the programme remains relevant in a rapidly changing environment. This is also vital to ensure continuous customer engagement and to ensure that the programme remains as efficient as possible.

Lesson 7: Leverage the power of data

Data is arguably the best side-effect of operating a wellness programme. The advancement in technology and devices is leading to a further explosion of data. Data leads to an improved understanding of members, which leads to an ability to create a more efficient and engaging platform.

Lesson 8: Regular interaction is optimal

The South African market has moved towards setting users daily, weekly, or monthly goals and targets to achieve. The short time frame leads to improved levels of engagement across the entire spectrum of customers.

Lesson 9: Competition is fierce

Competitive pressures usually force all insurers to launch a wellbeing programme to ensure they remain relevant and maintain market share. In South Africa, almost all large insurers now offer some type of wellbeing incentive programme.

With the rapid advances in smart technology and the Internet-of-Things, the Dutch Health and Life insurance market is ready for creative solutions. Health applications, fitness trackers and social media are already playing a key role, both in improving the health of users and creating new platforms for engaging with users.

The question is this: Once these services arrive in the Netherlands – most likely through the introduction of a large international player – which company will be able to understand and appreciate the lessons and knowledge from other markets to ensure that they remain relevant, competitive and improve the welfare of their finances, customers and society as a whole? Only time will tell. ■

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