



## The investment health insurers make today will ensure care tomorrow

Actuaries have spoken to the increasing importance of technology within the insurance industry for many years. This topic has however gained significant traction over recent years due to the rapidly changing technological landscape of financial organisations, which has forced companies to transform the way they operate and interact with their clients. Digital innovations have been at the heart of this transformation and have become essential to companies remaining both competitive and relevant in this environment. The utilisation of artificial intelligence, data analytics and the automation of manual processes are transforming the insurance industry – allowing for cost reduction and the creation of efficiencies, while also providing an increase in service quality. The investment made in such technologies today will define the ability of insurers to remain relevant in the future. Dutch health insurers have adopted a variety of digital innovations to embrace this change. These innovations are proven to generate value, but the variety of technologies available require health insurers to do their due diligence when allocating their budget. Further, the adoption of such technologies will only yield maximum returns if they are implemented correctly and embraced by all stakeholders. In this article we will explore several digital innovations available in the Dutch Healthcare system in an effort to ascertain their value.

By prioritising customer satisfaction, health insurers can retain policyholders and stimulate their market share. This is increasingly evident in markets such as the Netherlands, where changing health insurers yearly is common practice. Research shows that the number of people changing health insurers in the Netherlands each year has been steadily increasing over time. This figure was over eight per cent for the period from 2022 to 2023 compared to a value below four per cent for the period between 2007 and 2010 (Vektis, 2023). This phenomenon is further stimulated by the presence and popularity of aggregator websites such as zorgkiezer.nl and independer.nl. According to a report in 2018, 50% of insurance sold online in Europe was done via aggregator websites (McKinsey) and with the increasing adoption of technology in recent years, it is likely that this number is even higher today. The compounding impact of aggregator websites and single-year contracts for health insurance in the Netherlands create an environment in which it is necessary for insurers to prioritise policyholder experience. As a result, we have seen Dutch health insurers investing heavily in digital innovations which focus on improving their service quality and providing short term value, such as cashbacks, discounts and rewards. Menzis' research found that 1 in 5 people using an aggregator site will consider the availability of prevention and lifestyle tools as well as treatment related technologies when choosing their provider (2022). This highlights the need for digital innovation, focusing on elevating the policyholders' experience, amongst health insurers who are looking to retain existing policyholders and attract new ones.

Perhaps the most widely used digital tools in the insurance sector are those which encourage policyholders to be healthier. These mobile health (M-health) technologies allow insurers to promote Shared-value Insurance and wellness programmes. Such programmes allow the insurer to leverage technology to gain additional insight into the population's health while simultaneously incentivising policyholders to manage their health and wellness. Often incorporating personalized goals and rewards such as premium discounts, these tools aim to improve the health and lifestyle of its users and reduce the likelihood of possible future claims. In this regard Menzis and Achmea were first movers in the Netherlands, bringing out their SamenGezond and Actify programs respectively. After the introduction of these programs, a.s.r. launched in 2019 the a.s.r. Vitality program. Further, the introduction of the a.s.r. Vitality program coincided with an increased market share



for the company in following years (Vektis, 2023), indicating a possible positive correlation between the introduction of innovative products and market share.

Encouraging policyholders to lead healthier lives through M-health solutions creates long-term value for health insurers. However, this technology has already been around for many years and with the developing technological landscape health insurers need to invest in and offer a variety of digital innovations. One such area of interest is early detection. By encouraging regular screening, health insurers increase the likelihood of illnesses and diseases being treated before they become life threatening and in turn can reduce claims. One challenge to increasing early detection is encouraging policyholders to go to a doctor or healthcare facility when they may not believe it is necessary without causing an increased demand for care. Health insurers integrating technologies aimed at promoting early detection into their platforms can address this challenge, by bringing the doctor to the policyholder via a mobile application. However, offering such applications is not enough, health insurers still need to encourage policyholders to utilise these platforms to realise their full value. Consider the SkinVision application, which is offered to Achmea and CZ policyholders. By merging the expertise of dermatologists with AI technologies this application allows policyholders to take an image of any concerning blemishes on their skin and quickly receive feedback on whether the blemish is likely to be cancerous. This application increases the confidence in their results by consulting professionals to validate the results. This feature is critical to the application's success, as the impact of inaccurate results could have severe consequences including an impact on policyholder satisfaction and trust. While this app is limited to a single use case, there has also been an adoption of other technologies to assist in detection and prevention.

Additional applications such as 'Vraag de dokter' (ask the doctor), 'App de dokter' (text the doctor), 'App de coach' (text the coach) make health professionals more accessible to the public, specifically in the Netherlands where there is a strict referral system. This referral system prevents policyholders from seeing a specialist, and having the cost

covered, without a referral from their General Practitioner. These applications allow policyholders to text their questions to a healthcare professional and receive an informed response. These technologies are making it easier to detect diseases at earlier stages and avoids the panic and costs that can be induced by self-diagnoses made using the internet. Such applications have the ability to bridge the gap between the population and healthcare professionals while reducing the demand for in-person care. However, the success of these applications is dependent on support from both policyholders and doctors. HartWacht, which is offered by all health insurers in the Netherlands, is also solving this challenge by allowing doctors to monitor their patients' vitals remotely, allowing for early intervention when there are deviating results. The COVID-19 pandemic further accelerated the take-up of this product as HartWacht provided a way for doctors to offer remote services and contactless interactions to policyholders, with possibly compromised immune systems, who were avoiding hospitals during the pandemic. Even in a post-COVID world this product continues to play a vital role in both treatment and after care.

The Dutch insurance market has undeniably been affected by and adapted to the global technological transformation in recent years. The adoption and use of digital technologies within this space will likely continue at an accelerating pace, forcing insurers to further invest in these areas to remain competitive. From mobile apps to wellness programs and aggregator sites, insurers are leveraging technology to improve policyholder experience and therefore maintain their market share. Health insurers in the Netherlands are the link between the public and healthcare providers. In the next few years, the healthcare industry will be forced to face an increasing demand for care escalated by an aging population and diminishing numbers of healthcare professionals. The role of health insurers in overcoming this challenge will be critical and the advantages of using technology to solve these problems is undeniable. But the question remains: which insurers will thrive in this environment, having invested wisely and widely in these emerging technologies to ensure they can continue to care for their policyholders in the future? ■

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This article has been written in personal capacity.