

**2021 SURVEYS ROUND-UP &**

# TRENDS TO WATCH

**RG&A**



RGA conducts surveys to answer our client's questions and better understand the latest trends and developments in the life and health insurance industry.

**Findings from RGA's 2021 surveys will help insurance leaders prepare as we head into 2022.**



During 2021, RGA's surveys uncovered the following:

- As expected, increases in claims during the pandemic were led by mortality benefits, followed by health and disability income claims. The largest impairments contributing to long-COVID claims are respiratory, fatigue, and mental health issues. Further, complexities from the pandemic are increasing the need for diversified skills of the insurance medical director.
- The global pandemic is continuing to reshape the life and health insurance industry, face-to-face sales diminished, higher lapse rates continued, and wellness-type products offered enhanced engagement and incentivized healthy behaviors.
- An overwhelming majority of survey participants globally prioritized wellness after the onset of the pandemic, and technology is increasingly used to improve mental health and/or overall wellbeing, often through telehealth and digital wellness application platforms and programs.
- Health insurers are embracing the bottom-line benefits that genetic testing, pharmacogenetics, and precision medicine offer, such as tailored healthcare that may reduce overall claims, wastage, and sick time while improving productivity at work.
- When it comes to eldercare, insurers are using virtual care technologies to promote healthy living and support physical, mental, and financial wellbeing.



## IMPACTS OF COVID-19 ON LIFE & HEALTH CLAIMS

### Claims Trends

In addition to the financial impact and business continuity plans, insurers have had to adapt to other challenges as a result of the pandemic, including their claims processes and requirements, as noted in [RGA's Global COVID-19 Claims Survey](#) findings of 61 global participants.

Seventy percent of respondents reported that the number of claims they managed had increased during the pandemic, with 36% indicating a significant increase in claims volumes. The vast majority of claims to date are attributed to mortality benefits, followed by health and disability income benefits.

Related to COVID-19, 46% of respondents received long-COVID claims during the pandemic with the largest impairments reported for respiratory, fatigue, and mental health issues.

Pandemic risk exclusions were used by 13% of respondents, specified in their policy terms, while all but one respondent applied the exclusion throughout the pandemic.

## ONE

### TRENDS TO WATCH

In our Global COVID-19 Claims Survey, 70% of health and life insurance respondents reported an increase in the number of claims they managed, with 36% indicating a significant increase.

**Because of the ongoing impact on claims, focus on streamlining claims processes and requirements for evidence will continue to evolve.**



About one quarter of participants cited removing or reducing standards of evidence for case assessment, while 51% indicated no changes. Interestingly, some participants observed that, even though the way the evidence was obtained changed, the standard was not reduced and, as a result, led to no additional risk. Despite the changes, the average end-to-end (“E2E”) time for claims increased from 34 days pre-pandemic to 43 during the pandemic, a 26% increase in the average E2E. Given this outcome, what additional solutions might we consider for the future to ensure better consumer experiences?

### Claims Trends and Long COVID on The Rise

Claims increased, as expected, during the pandemic as reported by 70% of 61 participants from around the world in [RGA's Global COVID-19 Claims Survey](#). The majority of increased claims are mortality benefits, followed by health and disability income claims.

Long-COVID claims were reported by approximately half of respondents with the largest impairments attributed to respiratory, fatigue, and mental health issues.

In terms of preparedness for the pandemic, claims teams globally reported a rating of B (from a scale of A+ to F), but rate themselves at an A/A+ rating for future events due to enhanced practices and processes.

## TWO

### TRENDS TO WATCH

In our Global COVID-19 Claims Survey, despite changes in policy terms to improve E2E claims processing, times for claims increased 26%, from 34 to 43 days during the pandemic.

**For 2022 and beyond, this offers a prime area for additional solutions that improve E2E times and consumer experiences.**





## Complexity of Claims Increasing

A [Global Survey of the Evolving Role of the Medical Director](#) reported that claims practices have been impacted for 35% of respondents, particularly around more claims decisions being challenged (63%), increased claims complexity (60%), and product definition complexity (56%). Half of the participants indicated legal and regulatory changes as a factor in shifting claims practices in the last three years.

Automation of claims or artificial intelligence (AI) has impacted the role of the insurance medical director for 23% in the last 5 years.

## THE EVOLVING LIFE & HEALTH INSURANCE INDUSTRY

In 2021, RGA observed an increase of online sales as face-to-face sales declined with remote sales options and increasing consumer preference for digital sales channels and products.

In [RGA's 2021 South Africa Bancassurance Pulse Survey](#), several of the participants experienced higher lapse rates for existing policies during the pandemic. To address this, bancassurers in the market reported implementing grace periods, flexible premium payments, and online self-service options as well as establishing teams focused on retaining customers.

## THREE

### TRENDS TO WATCH

35% of respondents in our Global Survey of the Evolving Role of the Medical Director said that claims practices have been impacted, particularly challenges to claims decisions and complexity.

**In the future, health and life insurers will need to assess the potential for automation and AI to help claims processes and the positive impact of product expertise offered by insurance medical directors.**



Bancassurance players are in an enviable position to leverage their customer bank data, and 80% of respondents reported developing targeted offers based on this data. Wellness-type products are being incorporated into their offers to enhance engagement and influence positive behaviors.

## ACCELERATED WELLNESS & ELDERCARE INITIATIVES DUE TO THE PANDEMIC

Wellness programs or initiatives accelerated for many insurers during the pandemic. Eighty-five percent of participants in [RGA's Global Wellness Survey](#) of over 100 life and health insurers prioritized wellness after the onset of the pandemic. Respondents agree that a positive digital experience is more likely to help prevent health issues in at-risk policyholders while maintaining the health of already healthy policyholders. Similarly,

### FOUR

#### TRENDS TO WATCH

Several of the participants in the South Africa Bancassurance Pulse Survey experienced higher lapse rates.

**In 2022, we expect continued grace periods, flexible premium payments, and online self-service options, but this will be an area that we will continue to monitor as insurers attempt to retain clients.**



### FIVE

#### TRENDS TO WATCH

85% of participants in our Global Wellness Survey of life and health insurers prioritized wellness after the onset of the pandemic. A separate survey of 86 global insurers on eldercare revealed a trend of prioritizing seniors to maintain their overall health and financial independence.

**In 2022, we expect further adoption of technology to support virtual medical care, development of apps /technology to support mental and physical health or overall wellbeing, and increased wellness tools and technology to capture data for underwriting.**



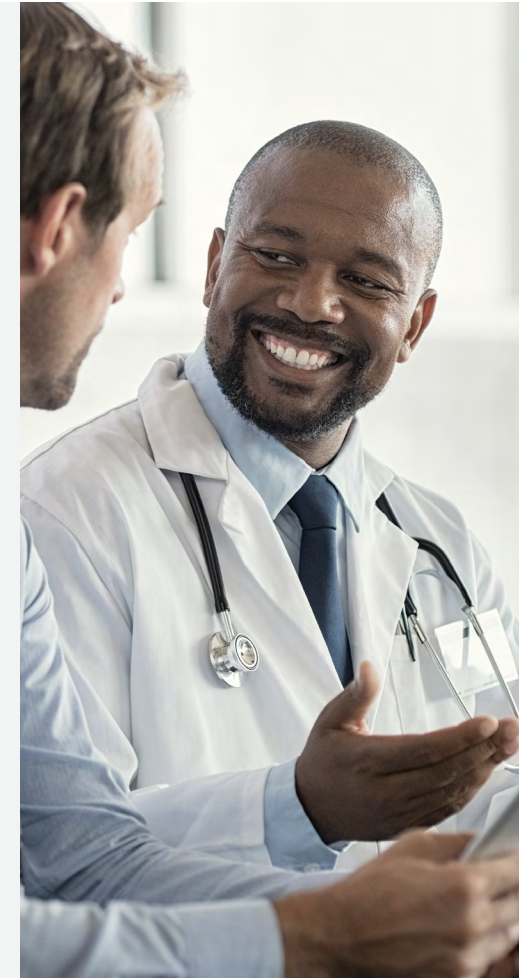
RGA's survey of 86 global insurers on eldercare found that insurers prioritized helping seniors maintain their physical health and financial independence in order to “age in place” in their own homes or with family members.

Adoption of technology to support wellness and eldercare factored prominently in our survey findings. Insurers prioritized the following initiatives during COVID-19:

1. Virtual medical care
2. Development of apps or technology to support mental health or overall wellbeing
3. Increased wellness tools and technology to capture data for underwriting

To increase efficiencies and create product opportunities, insurers were most interested in gaining access to health and wellness portals (with applicant consent), or apps that capture biometric data, in lieu of in-person labs and exams.

Combatting social isolation of seniors using technology was implemented by 15%, while 28% of eldercare survey respondents placed an emphasis on the support and promotion of aging in place to keep seniors in their homes longer and healthier.





## RISE OF WELLNESS FOR LIFE & HEALTH INSURERS

The insurance industry is evolving approaches to wellness. Insurers want to harness wellness-enabling digital tools, services, and products to support physical, mental, and financial wellness for the policyholders. These enabling tools and products help to motivate healthier lifestyles, prevent and manage chronic conditions, and increase policyholder retention and consumer engagement. RGA and RGAX surveyed 107 life and health insurers from around the world about their current plans, initiatives, challenges, and opportunities.

With the onset of COVID-19, 85% of insurers globally prioritized wellness initiatives. During this unprecedented time, insurers were trying to keep their policyholders healthy and offer virtual medical care.

### SIX

#### TRENDS TO WATCH

Since the onset of the COVID-19 pandemic, 85% of insurers globally are now prioritizing wellness initiatives. While insurers are trying to keep their policyholders healthy and offer virtual medical care, we predict that this trend will continue.



### SEVEN

#### TRENDS TO WATCH

67% of surveyed insurers are offering or planning to offer wellness tools, including apps, platforms, programs in support of driving or motivating healthy behaviors or activities. Over half also offered or plan to offer mental health platforms, services, or tools, including mobile and web-based support.

**For 2022 and beyond, the top areas for potential growth in the wellness area include chronic disease management, mental health, and financial wellness.**



## Holistic View of Wellness

The principal trend we're seeing is a more holistic approach to wellness. Almost three-quarters (71%) of insurers with wellness programs offer traditional wellness-related products like gym memberships or nutrition programs. Many of these products are also linked to an insurance product. Additional wellness-enabling digital tools and services include tools, apps, platforms, and programs designed to motivate healthy behaviors. Over half (54%) also offered or planned to offer mental health platforms, services, or tools, including on-demand mobile and web-based support and counseling. Almost a quarter (23%) planned to go even further by offering financial wellness tools, including guidance and apps.

The top areas of growth that insurers will invest in are chronic disease management, mental health, and financial wellness.

## Genetic-Based Testing to Enhance Chronic Disease Management and Health

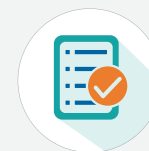
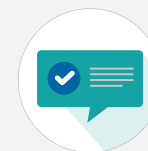
Another trend that is ripe for adoption is the increased use of genetics, as RGA noted from our [Global Genetics Survey](#) of 30 insurers globally. Due to difficult regulatory environments, only 13% of insurers are invested in genetics as a value-added service for policyholders, however, genetic

related initiatives could potentially increase customer engagement, motivate healthier lifestyles, and improve longevity.

Through genetic testing, insurers can provide enhanced treatment of chronic health issues and diseases. For example, using personalized medicine such as pharmacogenetics to match the most effective drugs for treating chronic illnesses or pain.

While precision medicine is a value-added perk to individuals, insurers are also embracing the bottom-line benefits to their organizations. By better tailoring healthcare to the individual, it may be more possible to reduce overall claims, lessen drug wastage, improve disability claims management, decrease sick time, and increase workplace productivity.

RGA will continue to monitor the rise in popularity of nutrigenomics (matching diet to a policyholder's genetic profile) as this was ranked as a top area of future interest for exploration.



## Dealing with the Challenges of Aging

[RGA's Global Eldercare Survey](#) findings confirmed that insurers are focused on helping customers deal with the inevitable challenges of aging. They're reaching beyond assisted living and long-term care policy benefits to promote healthy living to enable "aging in place".

COVID-19 had a significant impact on prioritizing eldercare solutions, with 44% saying they've reprioritized initiatives to focus more on virtual-care technologies. Three priorities stood out:

1. Support and promotion of aging in place
2. Targeting social isolation
3. Apps or technology to improve the overall health of seniors

Of course, offering affordable products and good coverage remain a cornerstone of eldercare, and more than half of the carriers we surveyed (55%) plan to focus their product development efforts there. However, since many new offerings are likely to have a digital component (e.g., wellness portals and healthtech wearables), carriers remain concerned about low adoption rates among seniors for these technologies.

## EIGHT

### TRENDS TO WATCH

RGA's Global Eldercare Survey found that insurers are promoting healthy living solutions for seniors to support physical, mental, and financial wellbeing.

**Now and in the future, product development efforts for eldercare and wellness are likely to include digital components, but insurers will need to increase digital adoption by seniors.**



## Health Insurance Ecosystems Capabilities

In support of wellness programs, RGA conducted a survey on Health Insurance Ecosystems (HIEs) in the South East Asia (SEA) region. In many countries, we see a shift in our customers' expectations of insurance and for health insurance, the HIE is integral to the delivery of health products and services in an increasingly digital world. Broadly, an HIE consists of insurance platforms and basic digital services that connect and engage our customers.

Half (50%) of 22 respondents currently offer wellness programs, and one-third are developing these offerings. Disease management is particularly popular, with 68% sharing plans to offer it in the future. Telehealth/e-prescriptions services are offered by half (50%), and the remaining half are planning to develop them. Telehealth is on track to become a product pre-requisite, particularly as the pandemic has fueled demand.

## NINE

### TRENDS TO WATCH

In the South East Asia region, half of survey respondents offer wellness programs, and another third are currently developing them.

**In this region, we expect further adoption of disease management programs along with increased use of telehealth and e-prescriptions, resulting from demand fueled by increased consumer demand.**



In 2021, RGA developed a portfolio of surveys about the continuing impacts of COVID-19, evolving approaches to wellness, eldercare, and impacts to distribution and claims. If you have any questions or would like to continue a conversation about the information in this 2021 Surveys Roundup, please contact:



**Leigh Allen**

AVP, Global Strategic Survey Research

[lallen@rgare.com](mailto:lallen@rgare.com)

**Sources:**

- Global COVID-19 Claims Survey, [https://www.rgare.com/docs/default-source/marketing/rga-global-claims-covid-19-pulse-survey-2021\\_final-report2.pdf](https://www.rgare.com/docs/default-source/marketing/rga-global-claims-covid-19-pulse-survey-2021_final-report2.pdf)
- Global Medical Director Survey, [https://www.rgare.com/docs/default-source/marketing/rga-checking-the-pulse-survey\\_evolution-role-of-the-medical-director-2021.pdf](https://www.rgare.com/docs/default-source/marketing/rga-checking-the-pulse-survey_evolution-role-of-the-medical-director-2021.pdf)
- South Africa Bancassurance Pulse Survey, <https://www.rgare.com/docs/default-source/infographics/digital-adoption-in-bancassurance.pdf>
- Global Wellness Survey, [https://www.rgare.com/docs/default-source/marketing/public-rga-global-wellness-survey-results\\_2021.pdf](https://www.rgare.com/docs/default-source/marketing/public-rga-global-wellness-survey-results_2021.pdf)
- Global Genetics Survey, [https://www.rgare.com/docs/default-source/brochure/genetics-survey-results\\_graphicbrouchure\\_public\\_interactive.pdf](https://www.rgare.com/docs/default-source/brochure/genetics-survey-results_graphicbrouchure_public_interactive.pdf)
- Global Eldercare Survey, <https://www.rgare.com/docs/default-source/newsletters-articles/eldercare-survey-results.pdf>
- RGA SEA Region Survey on Health Insurance Ecosystems (HIEs) Survey, <https://www.rgare.com/docs/default-source/infographics/rga-sea-hie-infographics.pdf>

This report is provided for information purposes only, and any user will be responsible for making its own independent investigation and judgment concerning its contents. In developing this report, Reinsurance Group of America, Incorporated (“RGA”) has relied upon the accuracy and completeness of a substantial amount of data and information supplied by various resources including studies without independent verification. Information contained in this report is not exhaustive and does not cover all issues, topics, or facts that may be relevant to your goals. Nothing contained in this report should be construed as rendering any form of professional advice. The content of this report may include technical inaccuracies or typographical errors, and RGA may make changes or improvements at any time. RGA assumes no liability or responsibility for errors or omissions. RGA does not undertake any obligation to update or correct information if it is not, or is no longer, accurate or complete.

This report and any opinions and conclusions contained herein have been prepared for the benefit of companies which participated in the study. RGA, its subsidiary companies and each of their directors, officers and employees expressly disclaim all and any contractual, tortious or other form of liability to any person in respect of any consequences arising from its use in reliance upon the whole or any part of this report or any of the information contained herein. By using this report any such third party hereby releases, holds harmless and forever discharges RGA, its subsidiary companies and each of their directors, officers and employees from any and all claims, actions or causes of action of any nature whatsoever arising from its use.

Copyright © 2022, Reinsurance Group of America, Incorporated.

All rights reserved. The contents of this report are copyrighted work of Reinsurance Group of America, Incorporated. Reproduction or disclosure in whole or in part in any medium without the express written consent of the copyright holder is prohibited. Requests for such permission should be forwarded to [publications@rgare.com](mailto:publications@rgare.com)