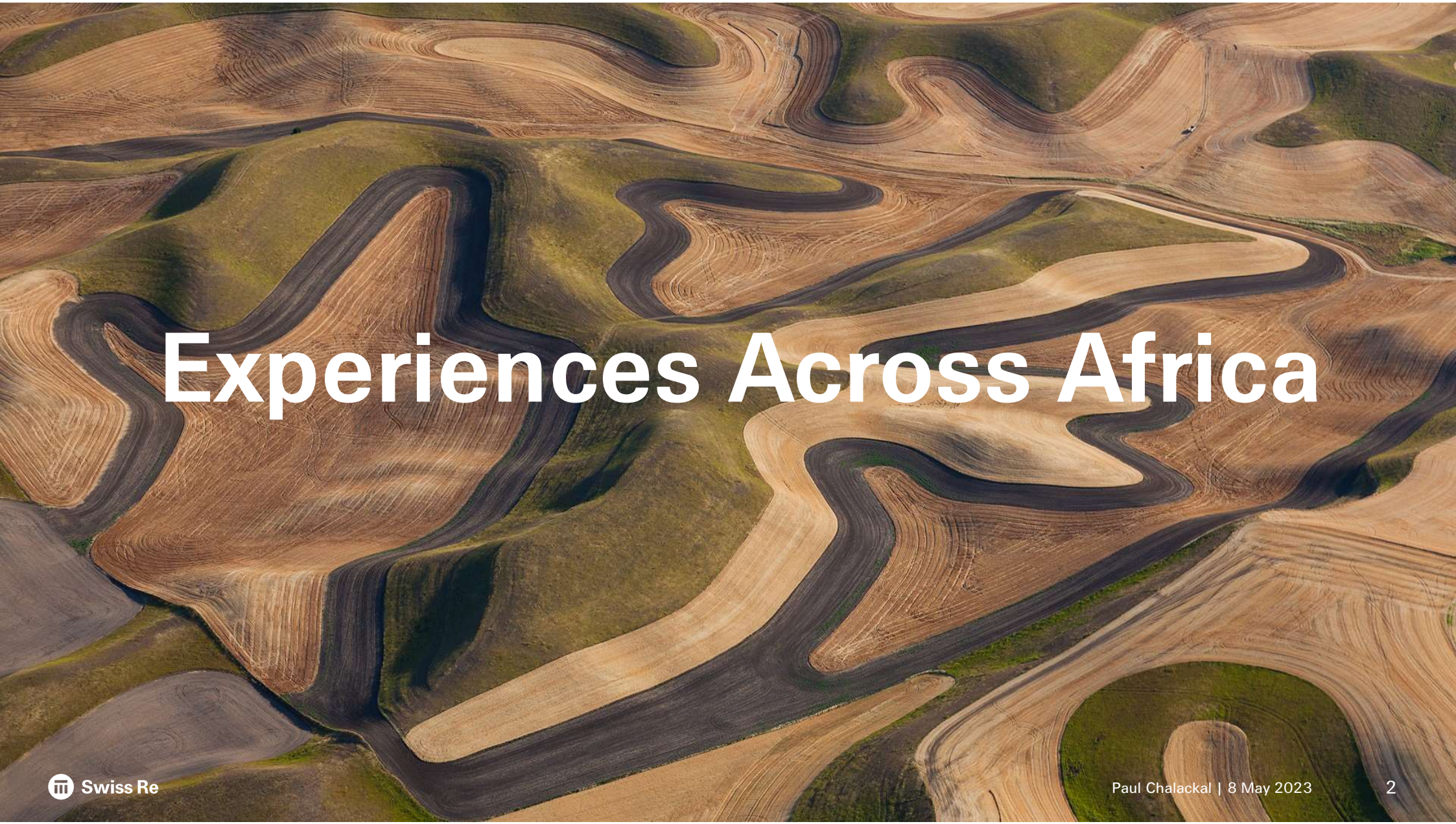
Swiss Re

Our Experience Across Africa & Increasing Operational Efficiencies

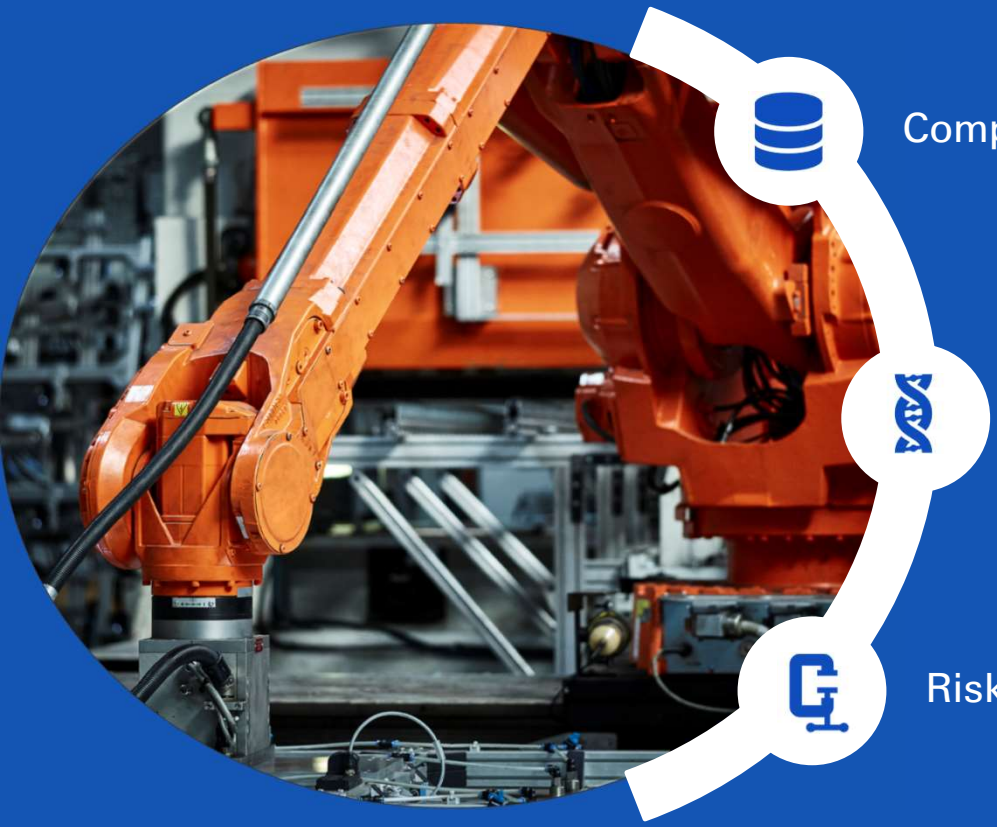
Paul Chalackal, 8 May 2023


Experiences Across Africa

Commercial and Regulatory Environment

- Local Cessions
- Withholding Tax
- Payments
- Solvency Regimes

Product Design



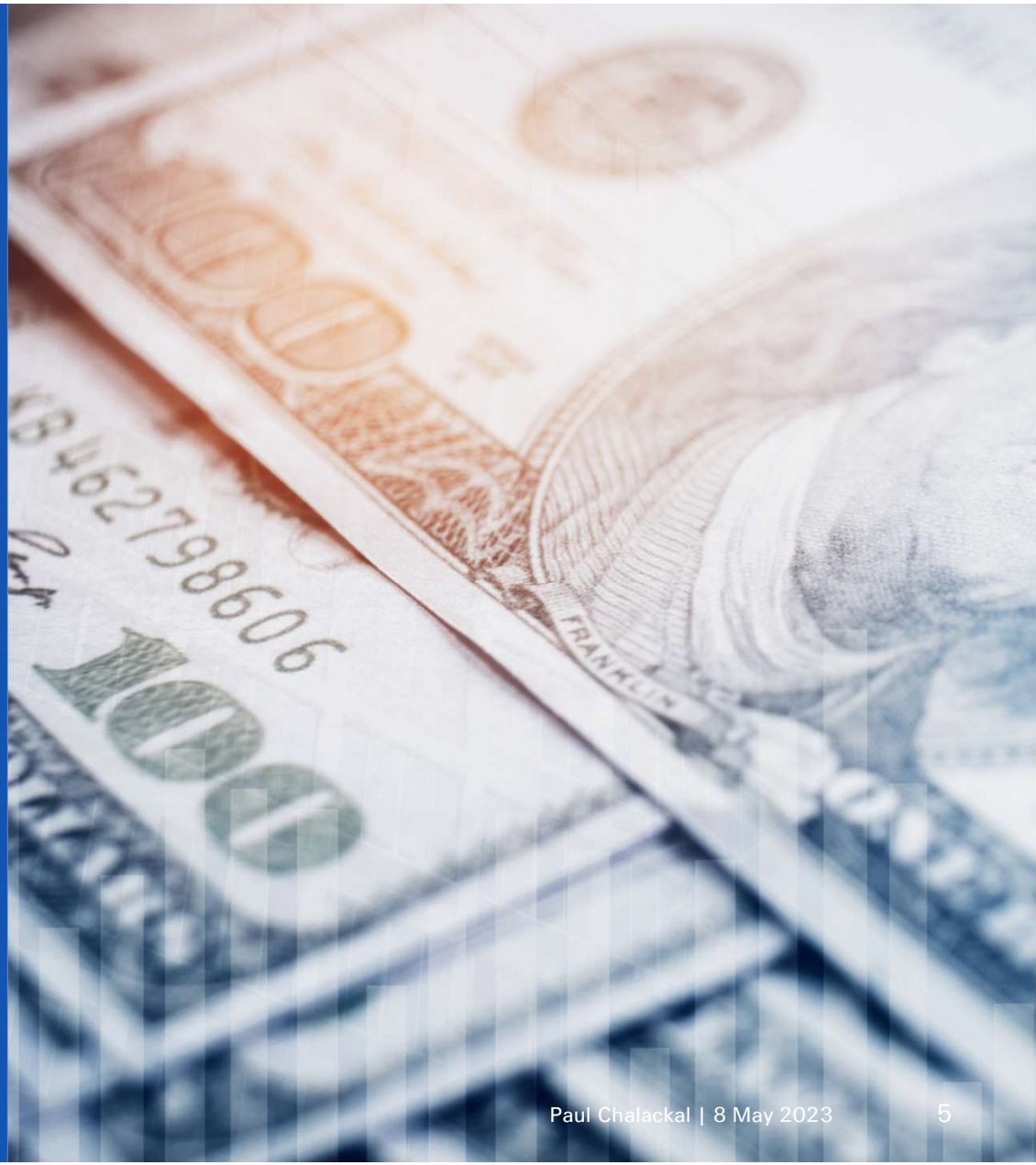
Comprehensive Plans

Flexible/Customisable Designs

Risk Limiting Features

Pricing

- Expertise
- Tools
- Covid Year
- Other Challenges
  - Number of Quotes
  - Technical vs Commercial



Sales, Distribution and Target Population

Large Corporates

Small to Medium Sized Corporates

Highly Brokered

Bancassurance

Individuals

High Anti-Selection
Growing Demand for IPMI

Other Risk Pools

Government Employees

Tendered

Risk Pool Characteristics and Innovative Risk Pool Creation

Large Corporates

- Price Sensitive
- Thin Margins
- Easily Change Insurers
  - ➢ Dedicated HR Department
  - ➢ Customisable Plans Offered

SMEs

- Less Price Sensitive
- More Sticky
- Potentially Higher Margins
- Less Anti-Selection than Individuals

Growth Strategy

Grow SME Segment to cover fixed expenses

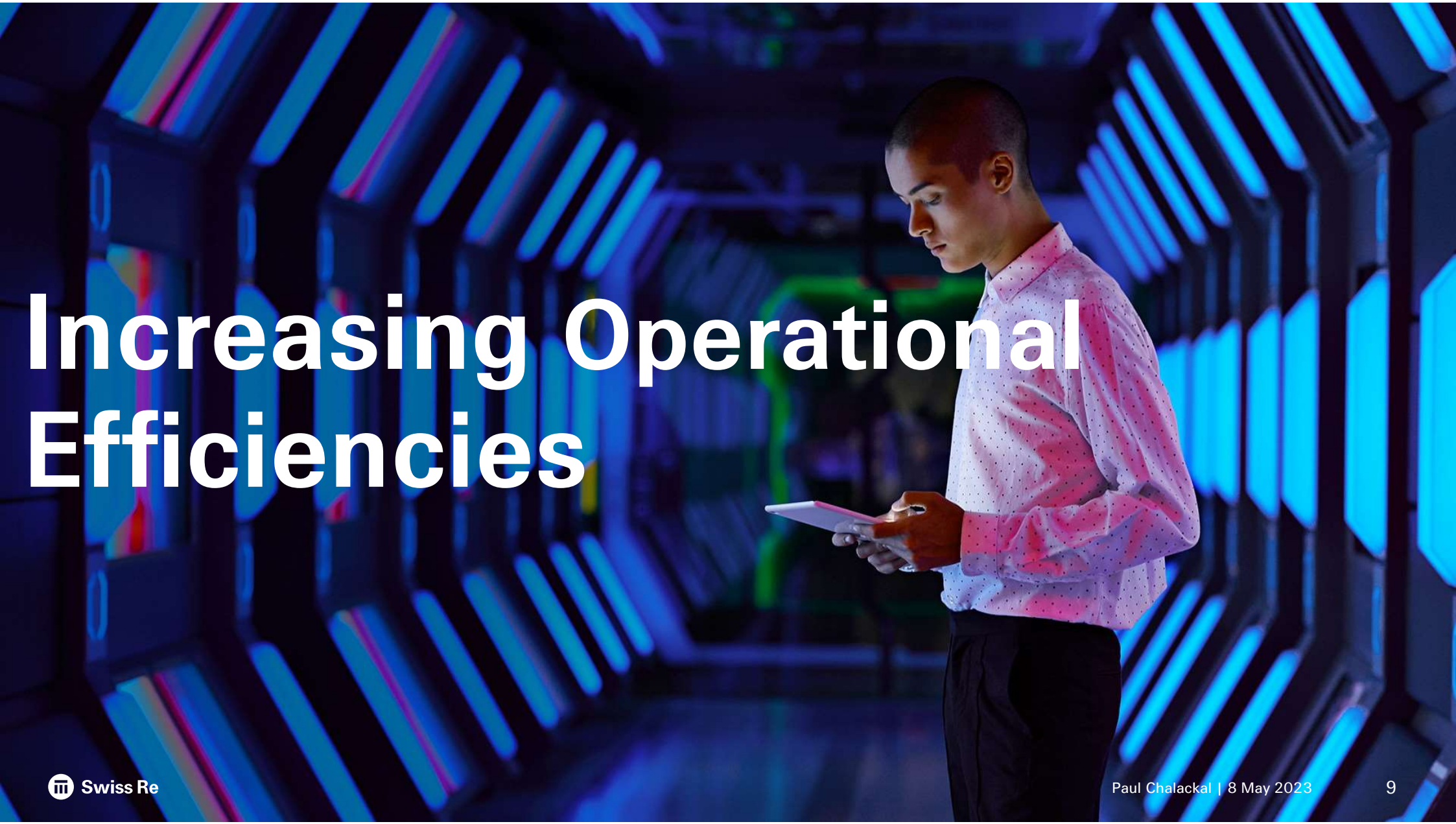
Then target Large Corporates to cover marginal expenses at lower margins

Example of an Innovative Risk Pool Creation

Offer Free HR Software to SMEs → Sell Health Insurance on the Platform → Use HR Data to Sell at the Right Time, Up-sell and Cross-sell

Claims and Operations

- Innovative Healthcare Delivery
- Claims Administration & Systems
- Fraud, Waste and Abuse
- Operational Efficiencies


Increasing Operational Efficiencies

Challenges in Health Insurance Claims Operations

Large volume of claims that need to be managed and insurers are pressured to pay quickly

Not easy to categorise claims for intervention and management

Fraud, waste and medical **abuse** are tricky to identify

Issue with effectively balancing **claims wastage vs claim automation**

Swiss Re Medical Analytics Platform

- Actuarial Portfolio Monitoring
- Advanced Claims Analytics
- Claims Risk Score Model

Claims Risk Score Model

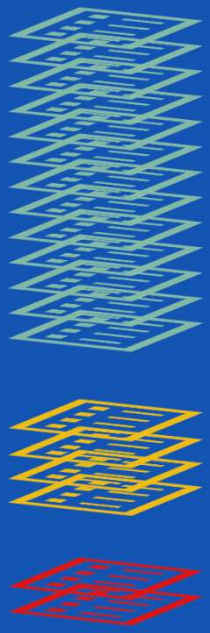
Data driven, using the vast **risk knowledge, medical expertise and machine learning technique**

Leverages **unstructured data** such as invoices, prescriptions for data driven **identification of medical necessities**

Real-time categorisation of a claim using multiple factors

Continues to learn with more data

Claims Risk Score Model



Claim Risk Category	Distribution
Low	60%
Medium	25%
High	15%

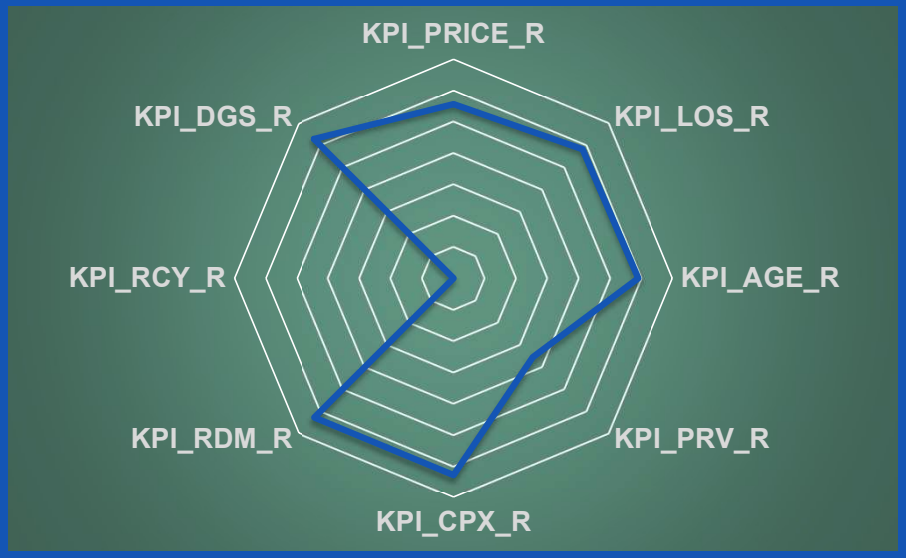
- Low Risk for FWA
- No further investigations required
- Automate processing for improved customer experience

- Elevated Risk for FWA
- Manual check on claim

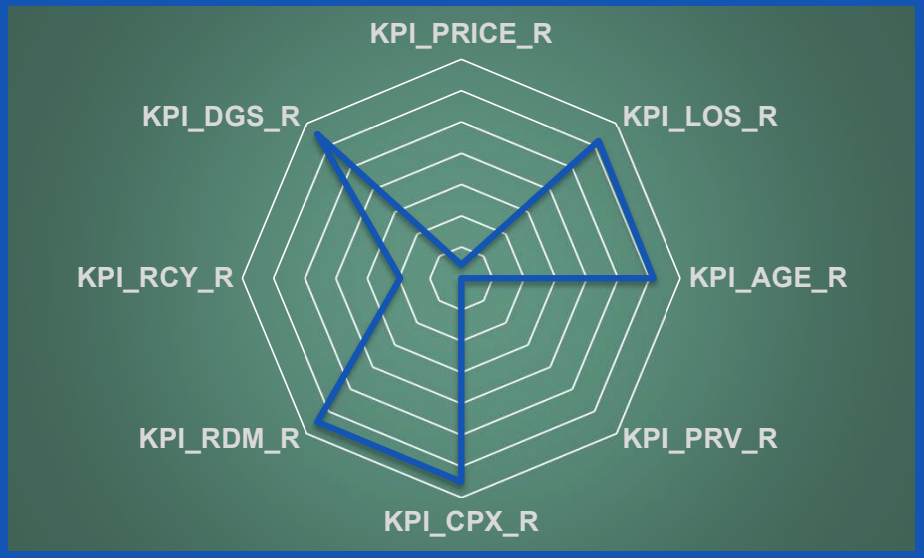
- High Risk for FWA
- Manual check on claim and detailed investigation

Distribution of claims can be fine tuned according to your pain points, resource capacity and claims strategy

Claims Risk Score Model: High Risk Claims Examples



Hip Replacements for a 24 yr old
Readmissions: 3
Avg. LOS: 1.6x



Acute Ischemic Heart Disease for a 36 yr old
Avg. LOS: 3x

Claims Risk Score Model: Benefits

Reduces operational costs & inefficiencies

Increased efficiency by automation, reducing claims processing costs. Operations can focus on the high-risk claims.

Automates >60% of the total claims volume

Automate low-risk claims, allowing faster turnaround time and greater decision consistency.

Reduces abusive behaviors

Enables identification of health cost drivers, and focus on high-risk claims.

Modular design

Easily extensible to multiple claims dimensions.

Medical provider profiling

Identifies provider utilization, trends and flags potential fraud cases.

Any questions?

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Thank you!

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