

Prevention Is Better Than Cure



Health screening for all

On 1 April this year the Health Secretary announced plans for a £250 million a year national screening programme for vascular disease. All adults aged between 40 and 74 – around one third of the population – are to be screened every five years for heart disease, stroke, kidney disease and diabetes (see Table 1).

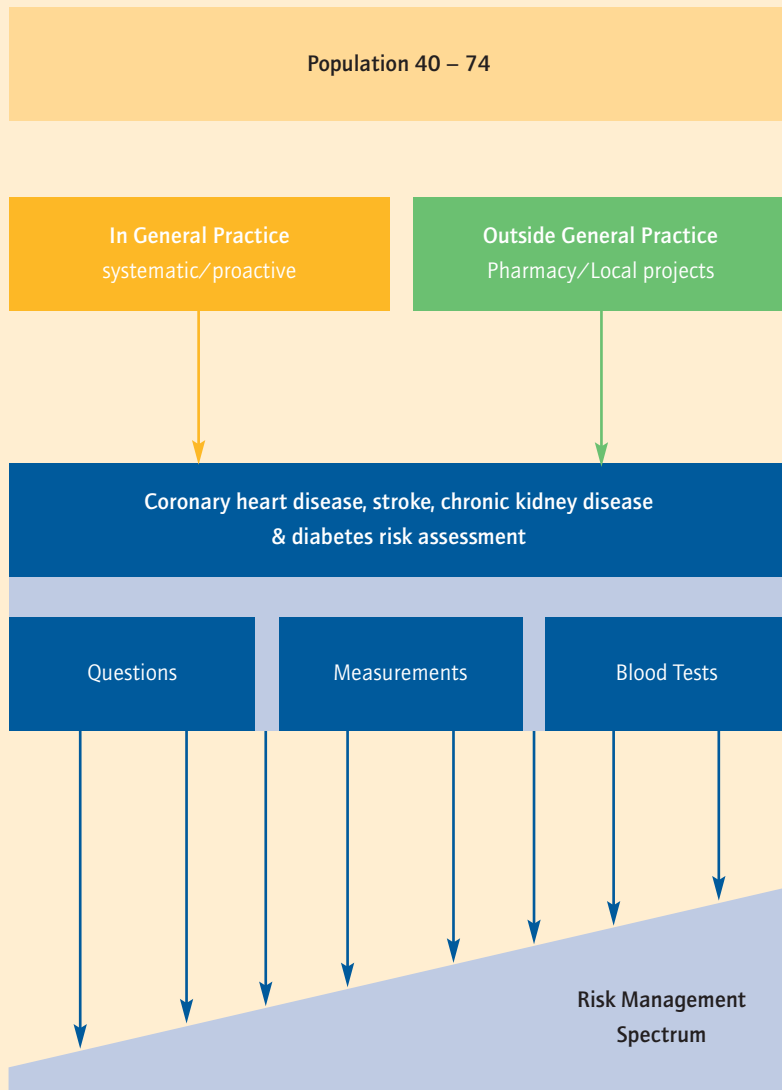
The programme's name, Putting Prevention First, reflects the policymakers' aim of reducing serious illness and death by

identifying high-risk individuals and intervening in the early stages of disease. The actual effect to the nation's health will obviously depend on participation rates. The Department of Health assumes 75% – excluding those already ill, or being monitored – will attend screenings. Based on these assumptions initial modelling and cost benefit analysis suggests screening could save 2,000 lives a year, prevent 9,500 heart attacks and strokes, save at least 4,000 people a year from developing diabetes, and detect 25,000 cases of early diabetes or kidney disease.

This autumn will see the release of an updated Impact Assessment paper detailing the assumptions, parameters and evidential findings on which this prevention and early intervention initiative is to be based.

To ensure it reaches all sections of the population, it is proposed that vascular screening could take place in a wide range of settings. In addition to GPs' surgeries, the report suggests venues such as pharmacies – which already display advertisements for medicine checks, diabetes and cholesterol

Table 1
Vascular Risk Assessment Programme
 For everyone between 40 – 74 in the population to have vascular risk managed appropriately



Low Risk (Advice)	Moderate Risk (Advice and assistance)	High Risk (Advice and intervention)	Disease Identified
Appropriate feedback and maintenance plan	Appropriate feedback and maintenance plan, e.g. referral to: <ul style="list-style-type: none"> • stop smoking service • obesity management • physical activity 	As moderate risk plus pharmacological interventions and/or intensive lifestyle programme for IGR	Existing clinical pathways

Source Department of Health

testing – local community groups and churches. Interestingly, the initiative provides further evidence of the government’s desire to extend the domain of public health management beyond the GP’s surgery.

What the screening involves

The proposed test includes basic measurements for risk factors individuals can influence – such as weight, blood pressure, cholesterol levels, smoking habits and physical activity – as well as others they cannot, such as age, height and family history.

Following testing feedback and/or assistance can be offered based on an overall risk calculation. This might involve help stopping smoking, obesity management or pharmacological interventions to lower cholesterol or blood pressure. Individuals diagnosed with diabetes or kidney disease could benefit from earlier treatment, reducing the likely impact on their future quality of life.

Health Survey of England

The findings of the annual Health Survey of England support the government’s belief that vascular screening will have a major impact on the nation’s health. The 2006 survey saw specially trained nurses visit more than 10,000 adults to ask questions and conduct tests which included those proposed for the new vascular screening programme.

The 2006 report throws some interesting light on the question of how we estimate the number of undiagnosed diseases and high-risk individuals present in the general population. Graph 1 highlights the significant number of people who have raised blood pressure without yet realising it. Only over the age of 65 are half the individuals with high blood pressure suggested by the study actually identified and being treated.

The Health Survey of England is also a key index for the well-documented recent rise in obesity, which is now recognised as a significant risk factor for developing vascular disease.

Graph 2 is based on the Health Survey of England for our key insured ages of 35 to 44.

Implications for Insurers

Given this scale of change in the general population’s obesity levels, it seems safe to assume that our insured pool is changing in a broadly similar way – and that individuals with high blood pressure or cholesterol are entering our pool unidentified.

An obvious benefit of the proposed screening program is that it will catch undiagnosed diseases present in the population at an earlier stage. This should allow earlier treatment and so delay the onset of morbidity and death. This is good news for writers of all types of protection products and, of course, for individuals who remain healthier for longer as a result.

A second more subtle point relates to the general topic of wellness and health management programmes. It has always previously been difficult to gather any conclusive evidence for the effectiveness of such programmes in reducing claims experience. But, with the Department of Health investing £250 million a year in an evidence-based model for improving the nation's health, this can only strengthen the case in the future.

As we focus on winning back consumers' trust, it is important that we find ways of maintaining relationships with our customers beyond the point at which policies are issued and direct debits set up. So – aside from welcoming this new government initiative – what else could we be doing to help our policyholders manage their health?

Road to Health

At a client seminar in March this year, Hannover Life Re (UK) introduced an organisation called Road to Health which delivers health risk management programmes for both public and private organisations including insurers. Their methodology centres on pharmacy-based screening, online health profiling, and membership programmes designed to help individuals manage their own health and wellbeing and reduce future health risks.

Road to Health's online health profiling includes a risk algorithm, the Q score, which provides a current predictor of vascular disease. Individuals can update their health profiles online – generating a Q score which shows their relative level of health compared with a hundred people of the same age, sex and ethnic background. The system also includes risk assessments for certain cancers, nutritional problems and stress.

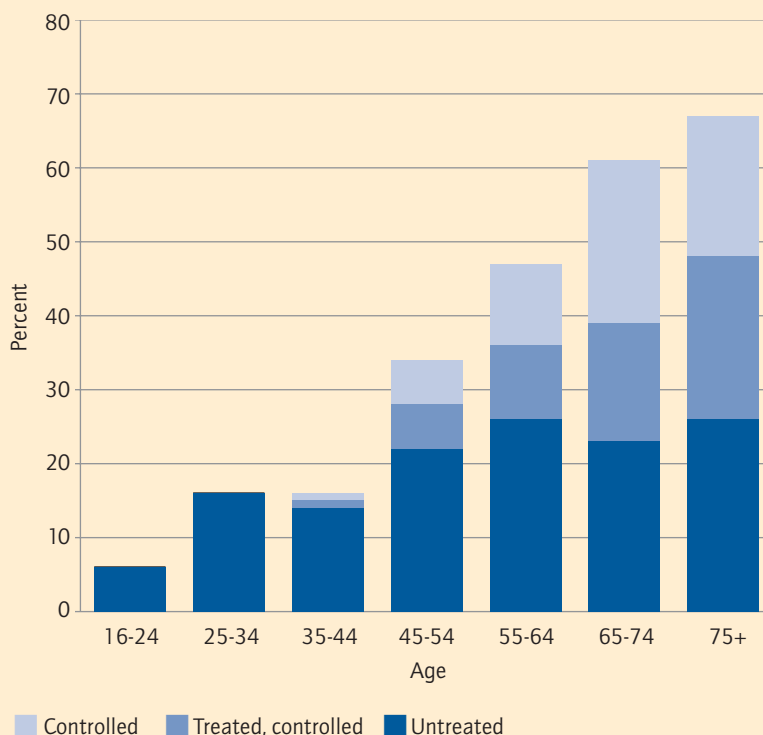
Other features include a 'what if' scenario generator which gives users an idea of the likely effect of various lifestyle changes – large or small – on their level of health. Examples would include gently increasing the amount of exercise taken, reducing the number of cigarettes smoked, or simply losing a few pounds in weight.

Rebuilding Trust and Other Opportunities

It is already clear that policyholders value services such as Red Arc and the Best Doctors service. Whilst insurers who provide these services as part of their protection proposition may not benefit directly, their policyholders certainly do.

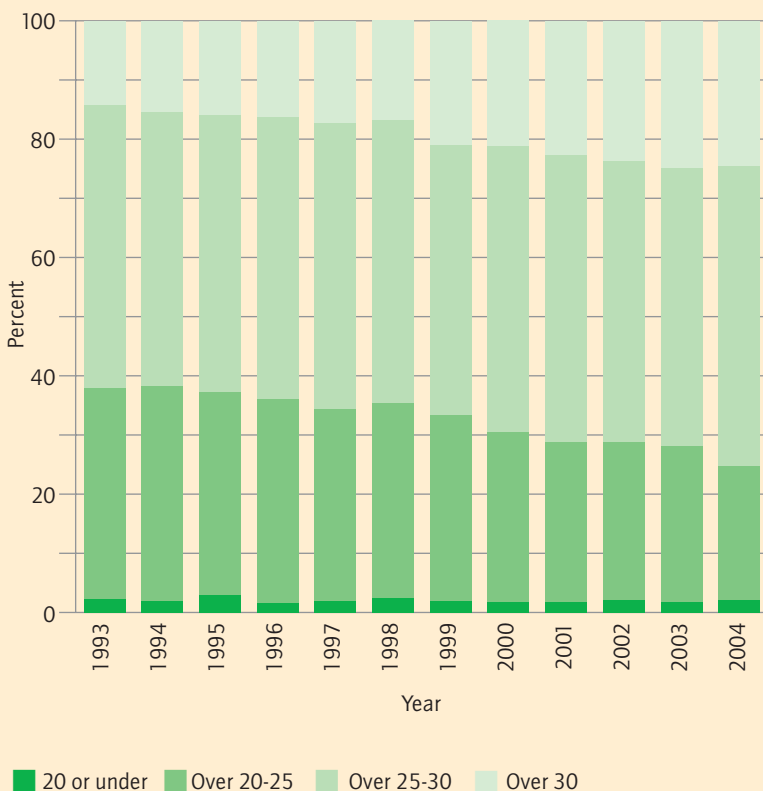
Early in our discussions with Road to Health, we suggested they might want to explain their proposition to Defaqto to gain further recognition. They have since done so, and after reviewing their proposition Defaqto felt that they differed from claims support services such as Red Arc and will now appear on their portal under the header 'Health & Wellbeing Services' along with other similar providers.

Graph 1
Prevalence of hypertension categories, by age and sex
Base: Aged 16 or over with three valid BP measurements
Men



Source: Health Survey of England 2006

Graph 2
Trend in BMI for Males aged 35 to 44



Source: Own Figures - Data source; Health Survey of England Series

Road to Health empowers policyholders to take an active role in managing their own health by making relevant information available. Including this type of wellness proposition in your service offer enhances the overall customer experience. Such initiatives clearly have a role to play in rebuilding trust between insurers and customers.

Summary

Wellness initiatives and government screening programmes can both help improve policyholders' quality of life and the 'compression of morbidity'.

It is fascinating that we as an industry are focussed on the same key risk factors such programmes seek to influence. Ultimately, these developments are positive, both for us as insurers and – most importantly – for our customers.



Julie Hopkins
Head of Underwriting
and Claims Strategy



James Shattock
Manager – Actuarial
Pricing

Record Results – 2007

Hannover Re Group

Hannover Re enjoyed another highly successful financial year in 2007, surpassing its profit targets and reporting the highest group net income in the company's history.

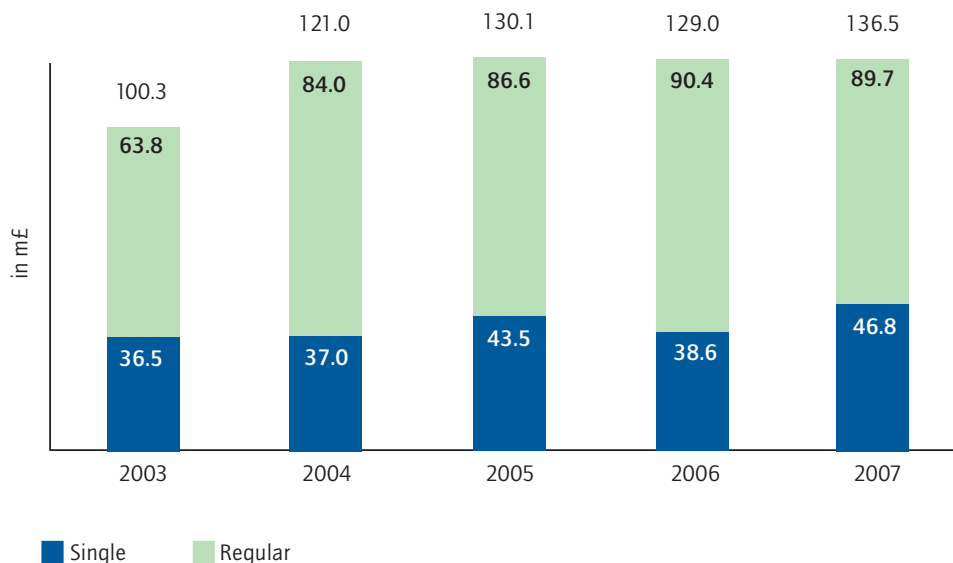
Gross written premiums totalled Euro 8.3 billion. This reflects vigorous growth in the Group's life and health reinsurance business around the world, with gross premium surpassing the Euro 3 billion mark for the first time. Shareholders' equity grew by 15.6% to Euro 3.3 billion and policyholders' surplus climbed 8.5% to Euro 5.3 billion.

The Group's ratings remain very high at AA- (Very Strong) from Standard and Poor's and A (Excellent) from A. M. Best.

Hannover Life Re (UK)

Hannover Life Re (UK)'s contribution to the Group premium was £136.5 m, 6% higher than the corresponding figure for 2006. We more than achieved the targets set for us by the Hannover Re Group and continue to maintain and improve our profitability.

Our clients can be confident dealing with us. We apply real innovation and creativity to design tailor-made solutions, founded on the solid security of the world's fourth largest reinsurer.



Stuart Paton Evans

Stuart Paton Evans joined Hannover Life Re (UK) on 7 April this year in the role of General Manager, Business Development.

Stuart comes to us with an impressive and well-rounded CV and wide-ranging sales and marketing experience in both the direct and reinsurance markets. Having begun his insurance career back in 1990 with Confederation Life, he moved on to GE ERC in 1995, where he worked in a wide variety of senior sales and marketing roles up to and beyond the company's acquisition by Swiss Re in 2006.

His academic and professional qualifications include a degree in Business Studies, a Diploma in Marketing from the Chartered Institute of Marketing, an MBA from the London Business School and a high-level Six Sigma consulting qualification earned while working for GE.

In Focus caught up with Stuart on his return from the Hannover Life Re Group's Strategic Planning Meeting in Shanghai – to find out more about his new role, his hopes and aspirations, and his views on the market in general.

"This is a great opportunity for me," he says. "The role I am taking on – heading up the outward facing aspects of the business – brings together a lot of the different strands of my career to date. This is a chance to tie all those strands back in together and I anticipate making a valuable contribution to the future success of this company."

A resident of North London, Stuart is currently looking at properties closer to Virginia Water. He is enthusiastic about joining the Hannover Life Re organisation. "There is a really strong team of people here and a genuinely responsive and innovative culture. I'm very excited about working as part of that team to make sure we leverage those strengths fully on our clients' behalf."

Stuart will focus on refining our full range of client facing and business development activities. The areas of marketing, client development, underwriting and claims will all now fall within his remit. He also takes up a seat on our Operational Council along with Managing Director David Brand, Finance Director Alan Stockbridge and Chief Actuary Neil Cheetham.

Among the areas for which Stuart is now responsible are: defining and executing our marketing strategy, coordinating marketing



communications activities, defining our underwriting and claims strategies and developing new products to meet our clients' evolving needs.

"Hannover Life Re (UK) already has a good reputation for listening to its clients and responding imaginatively," he says. "That's something I want to maintain and build on. The successful reassurers of tomorrow won't be the ones who are forever looking over their shoulder and comparing themselves with their competitors. They'll be the ones who are looking forward to anticipate their clients' future requirements."

Stuart is conscious of the perception that reassurers sometimes cut themselves off in their ivory towers, losing touch with the realities of life on the ground in the direct market. This is something, he argues, they must constantly strive to avoid. He cites the value of beginning his career training direct sales teams and of a two-year stint embedded in insurers' offices during his Six Sigma days for the insight they provided into the practical realities of the life business in today's market.

Reassurers always need to get out more and listen harder, he believes, and he clearly means to put this into practice. "I'll be focussing on all our client facing areas and our sales team to ensure they continue to be out in the market face to face with our clients as much as possible", he says.

Stuart's role will also see him very much involved in maintaining the close relationships we have with other parts of the Hannover Re Group around



somewhat different

the world, encouraging teamwork, career development and appropriate incentivisation within the UK operation and promoting our participation in industry bodies and working parties.

"This company is very much on the cutting edge of thought leadership in the life industry," he comments, as the conversation turns to research and industry forum participation. "I think that's something we should possibly capitalise on and publicise more widely. I want to make sure we communicate the full range of expertise we can bring to bear on our clients' behalf."

Stuart notes that one of the things that attracted him to working with Hannover Life Re (UK) was the company's exceptional record of attracting – and retaining – people of the highest calibre. "The team here is incredibly stable," he says. "There are three 20 year anniversaries coming up here this year – that's virtually unheard of in reinsurance."

"I want to continue building on this tradition of nurturing and retaining talent within the company," he says, "I think it's important that people are engaged and enthusiastic about the work they do."

In a rapidly evolving life insurance landscape, Stuart sees reassurers' ability to anticipate and adapt to changing conditions in the primary market as key to their future success. "Changing risk appetites in a consolidating primary market puts the onus very much on reassurers to offer a broader and deeper range of services that adds value to their clients' businesses in new and imaginative ways."


"Regulation, changing distribution models and damaged consumer confidence are just a few of the challenges we face. We must all move fast to respond to these challenges. There is no doubt in my mind that this company has the talent, the vision and the market knowledge to add real value. It's all about helping our clients find new ways to identify and satisfy evolving customer needs.

"I believe a leaner, more dynamic, business like ours has a distinct advantage in a market like this," Stuart says. "We are not held back by the inertia and bureaucracy that sometimes prevent larger organisations from responding as creatively or as quickly as their clients might wish."

Stuart returns repeatedly to the theme of partnership. "I think it is more essential than ever now that insurers and reassurers work closely with one another in a relationship based on mutual trust and respect," he says. "It's all about integrity and recognising very clearly where our common interests lie."

"One of my key aims in this new role," he concludes, "is to ensure that we maintain a dynamic and wide-ranging dialogue with all our clients, that we share the knowledge and insight Hannover Life Re has, and that we communicate fully how we can help give our clients an edge in this fast-changing market."

Promotion – Neil Cheetham



Congratulations to Neil Cheetham who has been promoted to Hannover Life Re (UK)'s Operational Council as Chief Actuary.

Neil now has overall responsibility for our Actuarial Division as well as being the company's actuarial function holder. This includes all aspects of pricing strategy, maintaining research and conducting actuarial investigations. All of which, of course, is vital to ensuring we continue to offer our clients the best reinsurance terms.

Neil also steers our valuation, planning and modelling processes – as well as liaising and reporting regularly to the Hannover Re Group on embedded values and statutory issues.

We hope you enjoy **In Focus** and we welcome your feedback, please forward any comments to Kirsteen Grant. If you wish to be added to our mailing list contact Kirsteen on 01344 846833 or email uk.marketing@hannover-re.com.

© Hannover Life Re (UK) Ltd
All rights reserved.

The opinions expressed in this publication are those of the authors. This publication is subject to copyright. All rights reserved. Apart from any fair dealing for the purposes of research or private study, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means without the prior permission in writing of Hannover Life Re (UK) Ltd. Single copies may be made for the purposes of research or private study. Multiple copying of the content of this publication without permission is always illegal.

CONTACT