



HEALTHIER, LONGER,  
BETTER LIVES

# CONTROLLING THE CONTROLLABLES

Preventative health resources is the key to  
client loyalty

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# SUMMARY



**Why is health and prevention important to all of us?**



**How do we play our part to improve health outcomes and increase awareness and engagement?**



**How can advisers support their clients and what tools are there to support?**



# INSURANCE PREMIUMS AREN'T A SUNK COST

Clients deriving  
**... tangible, immediate,  
monetary value ...**  
from a life insurance policy



“

Wellbeing is not just the absence of disease or illness. It is a complex combination of a person’s **physical, mental, emotional** and **social** health factors and is strongly linked to happiness and life satisfaction.

- The World Health Organization

”





# THE BURDEN OF DISEASE

We can assess the health of a nation by measuring the burden of disease; that is, the impact of a health problem on a population that results in death or disability. These insights are critical to inform the planning, prioritisation and evaluation of relevant and effective health promotion and prevention.

There are three broad causes of death and disability:

**Non-communicable diseases (NCDs)** including cardiovascular diseases, diabetes, respiratory diseases, cancers, and mental health conditions and disorders.

**Communicable, maternal, neonatal, and nutritional diseases** including HIV/AIDS, infectious diseases, maternal and neonatal disorders, and nutritional deficiencies.

**Injuries** including accidental, interpersonal, and self-inflicted.



# WHERE ARE WE NOW?



**17.9m**  
Cardiovascular  
disease



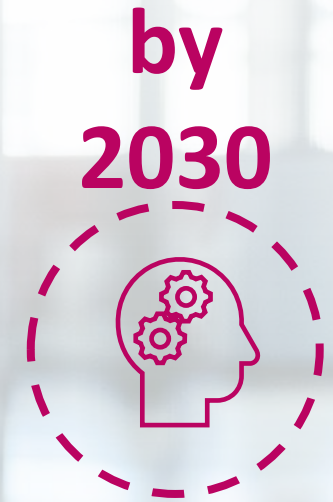
**9.3m**  
Cancer



**4.1m**  
Chronic  
respiratory  
disease



**2m**  
Diabetes



**by  
2030**  
Mental disorders  
are expected to be the leading  
contributor to disease burden

Source: [Noncommunicable diseases \(who.int\)](https://www.who.int)



# 5590+

The societal challenges and controllable behaviour choices that underpin our Shared Value Model



## 5 MODIFIABLE BEHAVIOURAL FACTORS

-  SMOKING
-  UNHEALTHY DIET
-  PHYSICAL INACTIVITY
-  EXCESSIVE ALCOHOL CONSUMPTION
-  INTERACTION WITH THE ENVIRONMENT

LEAD TO

## 5 NON-COMMUNICABLE DISEASES

-  RESPIRATORY DISEASE
-  HEART DISEASE
-  DIABETES
-  CANCER
-  MENTAL HEALTH CONDITIONS AND DISORDERS

THAT CAUSE

OVER **90%** OF DEATHS IN AUSTRALIA



# DESPITE DECADES OF AWARENESS, STATISTICS ARE STILL HIGH

AIA Vitality

10  
YEARS



Tobacco smoking is the leading cause of preventable diseases and death in Australia



92% of adults do not eat enough vegetables



55% of adults do not meet physical activity guidelines



40% of Australians who drink alcohol have binge drunk in the last 12 months



Almost 25% of global deaths are linked to the environment



Chronic respiratory conditions affect almost **1/3** of Australians



Coronary heart disease is the single leading cause of death in Australia



An estimated **1 in 20** Australians have diabetes



An average of nearly 400 people will be diagnosed with Cancer every day in Australia



1 in 5 people suffer from some type of mental illness





# IMPROVING HEALTH AND WELLBEING IN AUSTRALIA

AIA Vitality

10  
YEARS

Simply knowing your health can have a significantly positive impact on those most at risk, and actively engaging in AIA Vitality helps improve members' health outcomes.

## PHYSICAL HEALTH

### THE CURRENT STATE OF PLAY



2 in 3

Australian adults are overweight or obese\*



If this trend continues, by 2030



Australians will be overweight or obese

\*Australian Bureau of Statistics National Health Survey 2017 - 2018

## MENTAL WELLBEING

### THE CURRENT STATE OF PLAY



44% of Australians aged 16 - 86 are estimated to have experienced a mental disorder at some time in their life\*

### AUSTRALIA'S MOST COMMON MENTAL ILLNESSES

- Anxiety disorders (e.g., social phobia)
- Affective Disorders (e.g., depressive episodes)
- Substance abuse disorders (e.g., alcohol dependence)

\*Australian Institute of Health and Welfare 2022

# THE AIA VITALITY IMPACT

AIA Vitality

10  
YEARS

Simply knowing your health can have a significantly positive impact on those most at risk, and actively engaging in AIA Vitality helps improve members' health outcomes.

## THE AIA VITALITY IMPACT



**10%** of members with a BMI in the overweight range moved into a healthy range within 2 years



**150 DAYS** of engaging in AIA Vitality is all it takes to achieve a healthier BMI



Ageing can make weight maintenance more difficult but AIA Vitality helps members maintain their weight

Data was collected for the period September 2013 to July 2022.

## THE AIA VITALITY IMPACT



**50%** of members experiencing mental health distress moved into the low distress range within 2 years



**250 DAYS** of engaging in AIA Vitality is all it takes to achieve lower levels of mental distress



A combination of mental and physical wellbeing activities contributed to improved mental health

Data was collected for the period September 2013 to July 2022.

# AVERAGE IP CLAIM DURATION



**7.1** months  
average duration for  
all IP claims



**16.5** months  
average duration for  
mental health claims

Source: AIA Priority Protection Income  
Protection claims experience between 2013  
to 2017



# AS INDIVIDUALS

## We can't control

### Gender

Females have a higher depression risk than males.

### Age

While older individuals in the dataset were more likely to be depressed, this is explained by non-age features such as stress and comorbidities.

### Illness

Individuals facing health concerns have an increased risk of suffering from depression, including when it's a family member who has a serious illness.

\*Source: COVID-19 insights / IMPACT ON BEHAVIOUR, 2020

## We can control

### Exercise levels (64%)

People who do more exercise, or who do it at a higher intensity, have lower risks of depression. Those who take 10,000+ steps have been found to have half the depression rate of those who take 2,000 or less.

### Sleep patterns (16%)

People who sleep less than four hours a night have 32% higher depression rates than those who sleep seven to eight hours.

### Diet (14%)

People who consume three or more sugary drinks per day increase their risk of depression by 11%.

### Smoking and alcohol use (6%)

Current and ex-smokers have a 23% higher risk of depression than non-smokers.



# WHAT IS AIA VITALITY

Our personalised, science-backed health and wellbeing program that supports members every day to make healthier choices to live healthier, longer, better lives.



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# AIA VITALITY WELLNESS PROGRAM

## A HOLISTIC PROPOSITION



**Behavioural wellness** solution providing **tools, knowledge access** and **incentives** to improve consumer's health.



Holistic program based not just on physical activity but also incorporates aspects such as **nutrition, diagnostic checks and mental wellbeing.**



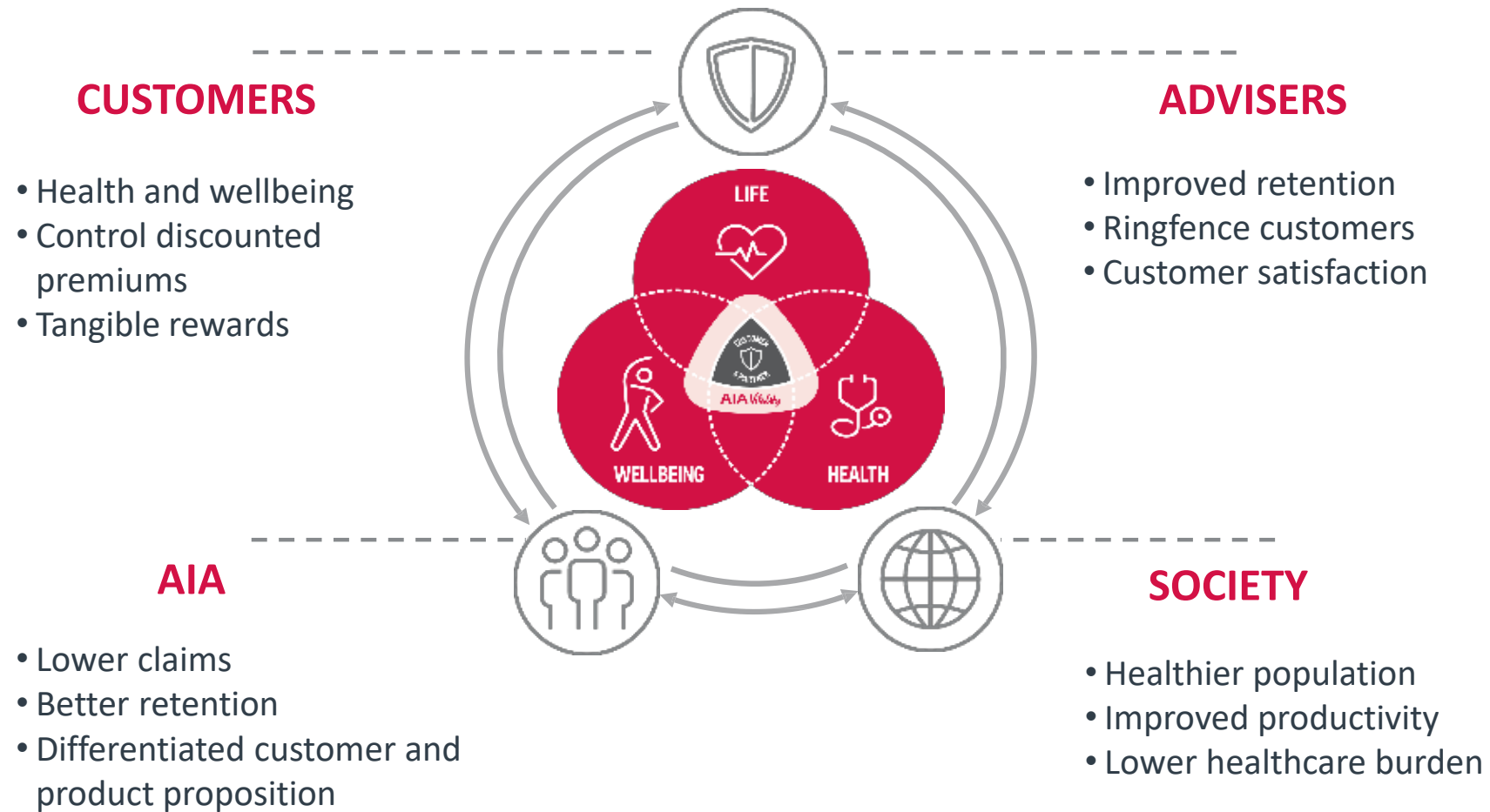
Scientifically proven that members who **actively engage** in the program **live longer** and have **lower healthcare costs.**



Based on **sound clinical and behavioural science research**, uses **actuarial savings** to incentivise better health choices.



# Engaged Vitality members = benefits across the entire ecosystem



# COMBINING PRINCIPLES OF BEHAVIOURAL SCIENCE WITH KEY CLINICAL AND LIFESTYLE PILLARS



## Overconfidence & optimism

People are generally overconfident in their own abilities and prospects, including their health.



## Loss aversion

People have a tendency to prefer avoiding losses over acquiring similar gains.



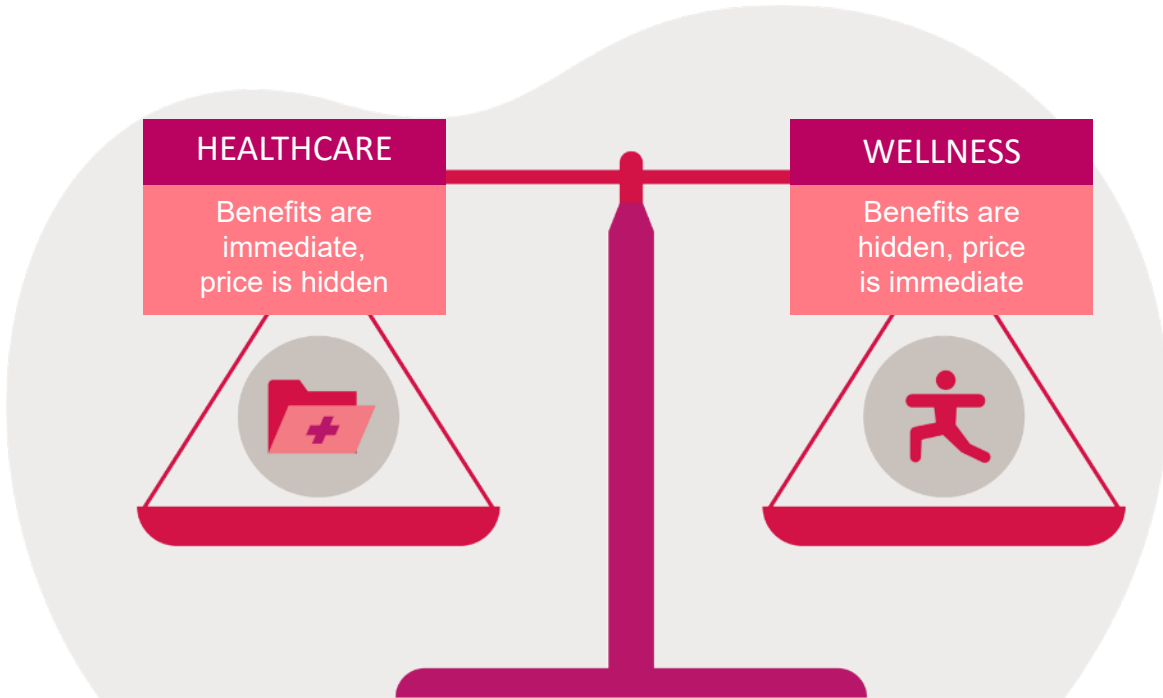
## Nudge theory

Positive reinforcement and indirect suggestions can influence the motives, incentives and decision making of individuals to positively impact on their health and wellness.



## Frequent event miscalculation

Individuals tend to pay little attention to the small but cumulative consequences of repeated decisions, and frequently ignore the impact of repeated risky behaviours.



## Hyperbolic discounting

Future rewards of a healthy lifestyle are significantly undervalued relative to cost today.



## Status quo

People continue to follow the path of least resistance when it comes to decisions about their health and wellness.



## Financial incentives

Rewards through financial incentives have been shown to improve short-term behaviour, however, habit-based interventions lead to more sustained behaviour change.

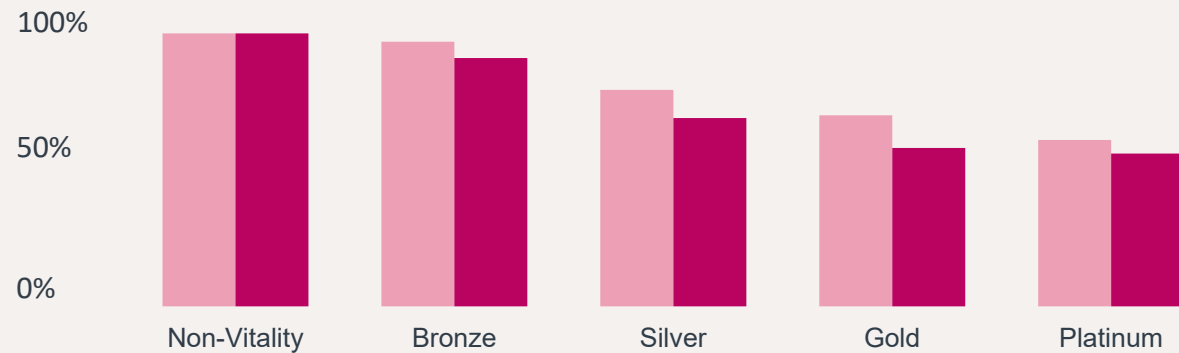




# CREATING SHARED VALUE

## VITALITY DRIVES BEHAVIOUR CHANGE

Improved lapses and claims



Lapse Relativities

Death claims relativities

Concentration of daily steps around 7.5k/12.5k thresholds



## 2023 MEMBER SURVEY

AIA Vitality

58.8%

Agree they consider themselves healthier than before joining AIA Vitality.

64.7%

Agree they have become more physically active since joining AIA vitality.

# KEY TAKEAWAYS

- While the policy is there to assist in one's time of need, shifting the mindset to preventative health has benefits for all involved
- Deriving tangible benefits from an insurance policy is possible
- Benefits extend to better claims experience and better retention



# Technical Advice and Resources

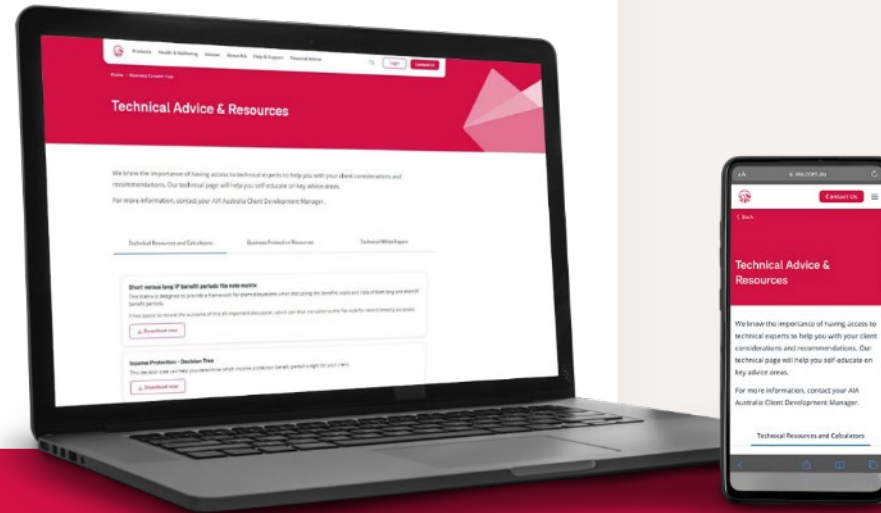


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AIA Australia has prepared a Target Market Determination which describes the class of consumers that comprise the target market for this product. The Target Market Determination can be sourced at [aia.com.au/tmds](http://aia.com.au/tmds)

