

Working towards better benefits for employees



L-R: Ms Rosaline Chow Koo, Mr Zee Yoong Kang and Ms Kumjoo Huh

Employers were urged to collaborate more with others in the healthcare and wellness ecosystem including insurers, third-party administrators and HealthTech partners at the 2nd Asia Employee Benefits & Insurance Conference in Singapore.

By **Ranamita Chakraborty**



Employees in Asia are getting healthier every year while premiums for employee insurance are rising. This is the pressing issue that was addressed by CXA Group founder and CEO Rosaline Koo during the recent Asia Employee Benefits & Insurance Conference organised by *Asia Insurance Review* in Singapore.

In her keynote address, she also pointed out that often human resources (HR) professionals in the region organise wellness activities to find that only healthy employees attend and employees who are obese or sedentary do not participate at all.

“The healthy get healthier. The unhealthy stay unhealthy. (This) just spirals downwards and premiums keep rising,” said Ms Koo.

She also said that many employees do not understand insurance and when they submit a claim they discover that they are not covered and that the reimbursement process takes a long time. On the HR side, the insurance burden is very high due to paper-intensive nature of the process.

“Employees go to the HR. HR goes to brokers or consultants. They go to the insurers. The insurers go to the third-party administrators then employees go to the clinics. So it is a very long value chain,” said Ms Koo.

This is where HealthTech start-up CXA Group steps in to aggregate the value chain on a digital platform, integrating healthcare and wellness providers with insurers and HR professionals for employees in Singapore, Hong Kong and China.

“The value chain and the aggregation is directly connecting to the providers instead of to the third-party administrators (TPA) ... so that we can help employees manage their health and help direct employees to the right place,” said Ms Koo.

Rising costs of employee benefits and insurance

Health Promotion Board CEO Singapore Zee Yoong Kang said that employers should view health as an investment rather than a cost that needs to be managed as research implies that having a healthy workforce produces an economic dividend.

On a similar note, MyDoc CEO and co-founder Dr Snehal Patel urged employers to stop cost-shifting and start offering benefits that creates short- and long-term savings leading to an improvement in employee health.

Dr Patel identified major issues faced by both employers and insurers in employee benefits to be over-prescription, pharmacy costs, under use



Dr Snehal Patel

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of preventive services, patient's poor lifestyle habits, a disjointed healthcare system and poor understanding of the employee benefits plan.

"We need to start to understand what the real (problems) are from a cost perspective so that all the technology and all the enhancements that we have can be utilised in a way that is effective for insurers and for those that are tied into this (healthcare) ecosystem," said Dr Patel.

Medical inflation for employers and insurers is primarily due to poor product design of health benefits packages according to MHC Asia Group head of strategic alliance and partnerships Dr Yenna Tasia. Today's product designs are all cookie-cutter solutions and not tailored, individualised, customisable or scalable, Dr Tasia said.



Dr Yenna Tasia

"Product design affects the behaviour of the consumers. It encourages people to consume more medical solutions. A study by Willis Towers Watson showed that 45% of the employees (surveyed) feel that the benefits package do not meet their needs," said Dr Tasia.

In order to mitigate medical inflation, Dr Tasia said, "We need to do credentialing (and) be able to identify which providers and which doctors we should partner with ... All parties – the consumers, insurers, companies, doctors - will have to be very transparent about what is being paid for and what is covered."

In a panel discussion on the employee benefits trends in India, China and Singapore, Global Insurance Brokers India head of health and benefits Jayesh Gadekar said that employees in India cannot rely on their corporate insurance programme and need to have private health cover as well since corporates cannot offer the coverage required by employees.



Mr Jayesh Gadekar

He noted that for employee benefit and insurance programmes to be successful in India, there needs to be better product design, better wellness initiatives as well as good broking,



insurance and TPA partners.

For employers in China, CXA Group China CEO Sun Fan said, "Many of our clients are facing (an) increase in their insurance premiums because of the increase in claims.

So basically, employers are spending more money on benefits."

Citing a survey CXA Group conducted in the local market, he said, "If you look from the employee side, only 26% of the employees are happy with their current benefits programme. Seventy four per cent believe there is room to increase and improve their benefits."

Lack of coverage on critical illness was a common complaint of policyholders.



Mr Sun Fan

Prevention is better than cure

According to Mr Zee, employers should help their workforce pursue healthier lifestyles. "We all know that prevention is better than cure – but do we behave on that basis?" he asked.

Given the rise of chronic diseases, Mr Zee said that altering people's mind-set and behaviour towards prevention is of strategic importance as insurers need to reduce their future liabilities.

"It is a question of your long-term. It is a big challenge as to how you price your premiums and value your liabilities ... it is a strategic priority to bring down your future liabilities and so you need to focus on prevention," said Mr Zee.

In the same vein, Genoplan senior research scientist Dr Jae Ook Kim said that employers should offer genetic testing to employees in order to increase employee wellness, lower healthcare costs,



Dr Jae Ook Kim

drive higher subscription rates to life insurance and attract more talent.

With direct-to-consumer genetic testing revealing the likelihood of developing diseases such as diabetes and cancer, employees who undergo genetic testing are likely to have increased health awareness. Citing recent data from the Swiss Re Institute, Dr Kim recommended that employers combine genetic testing with a life insurance plan for their employee benefits package.

He said, "Employers today are being very creative with the employee benefits programme by including incentives such as achieving awards, bonuses, paid vacation, year breaks, pay raises well as insurance programmes.

"And there is an increasing number of employers offering genetic testing in their wellness and insurance programmes. They are doing this because they know this not only benefits the employee, but also the employer as well as insurers."

Revitalising workplace culture

Kyobo Life Insurance senior vice president Kumjoo Huh urged employers to keep up with the agile transformation of corporate culture in a competitive workforce. She said, "A lot of people nowadays want to work for a company whose values reflect their own ... We need to take care of them."

Mr Gadekar said, "Corporates today need to have wellness as a culture. You need to reward people who are healthier in some way or the other. You need to motivate. It needs to be a top-down approach ... Do what works best for your organisation but you cannot ignore wellness and wellbeing of employees anymore."

The 2nd Asia Employee Benefits & Insurance Conference was organised by *Asia Insurance Review* and was sponsored by CXA Group. 