IAI Healthcare Webinar
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"What is fair?": Developing a framework and best practices in health insurance

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Speaker Profile

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Christine Fairall is a Senior Consultant at Milliman. Christine qualified as a healthcare actuary in 2009, with more than 20 years of insurance sector experience.

Christine's expertise includes healthcare insurance actuarial reporting (Solvency II and IFRS 17), reserving and technical provisions, solvency/regulatory and economic capital modelling, pricing and underwriting, actuarial policies, insurance risk management and M&A due diligence.

Prior to Milliman, Christine held various roles at Bupa (2013 – 2024); most recently as the Group Corporate Actuarial and Actuarial Transformation Director responsible for actuarial function reporting, implementation of IFRS 17 and actuarial modelling tools. Prior to Bupa, Christine was at WTW and KPMG where she led several advisory, pensions and healthcare schemes projects.

Agenda

Part I (presentation):

- What is “fairness”?
- What is not fair (UK context)
- Four-step approach to fairness

Part II (fireside chat with Manish Sen):

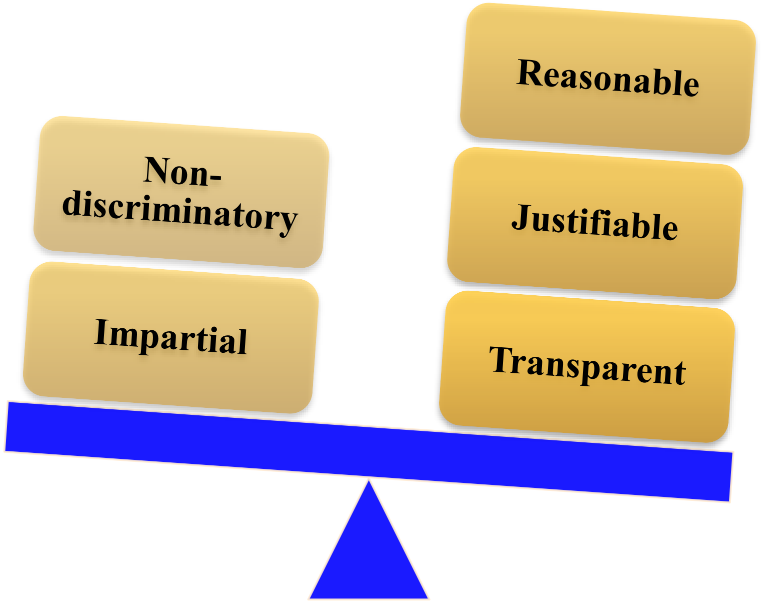
- Discuss fairness application in the India health insurance market context
- Q&A

Part I: Presentation

What is fair?

Equity

Equality



Balanced ???

What is fair?

“ …treating people or situations in a way that is right, reasonable, and impartial, without favourism, bias, or discrimination”

- Sources: dictionary.cambrige.org; distionary.com

What is fair?

“ …beautiful to the eye, agreeable…”

- According to Old English ‘*fæger*’*,* from the Oxford English Dictionary

“ …morally good…”

- In late Old English

It’s not fair!

All health insurance claimants are vulnerable to some extent

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Complex product and poor value perception

Product complexity may hide true costs. Vulnerable consumers can receive poor value.

Complicated T&Cs

Exclusions and Pre-existing Conditions

Rules about existing health issues vary widely.

Jargons and convoluted details

Insurance documents often use complex language. This obscures exclusions and conditions. Consumers struggle to compare policies effectively.

Inaccessible support

Lack of appropriate assistance and services for vulnerable customers.

Barriers to access

According to the UK Financial Conduct Authority, 49% of the adult population in the UK shows one or more characteristics of vulnerability, and 60% struggle to keep up with bills.

Health insurance claimants are inherently vulnerable.

Vulnerable Customers

The role of health insurance

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Health insurance has a critical role in financial risk protection, improving access to care, promoting and supporting sustainability, and contributing to economic productivity and social welfare.

Financial protection

Access to healthcare

Promote good health and well-being

Fairness in health insurance

Fairness principles include equality, need, recognition, participation and distribution

Source: [Fairness in UK health insurance: Developing a framework and best practices in health insurance]

Equitable Access

Ensuring all customers have appropriate access to healthcare services

Non-Discrimination

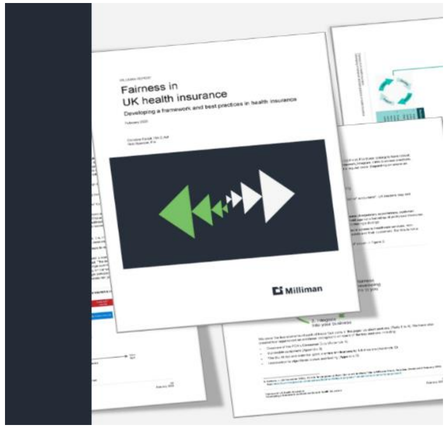
Avoiding unfair treatment based on protected characteristics

Transparency

Clear communication between insurers and customers

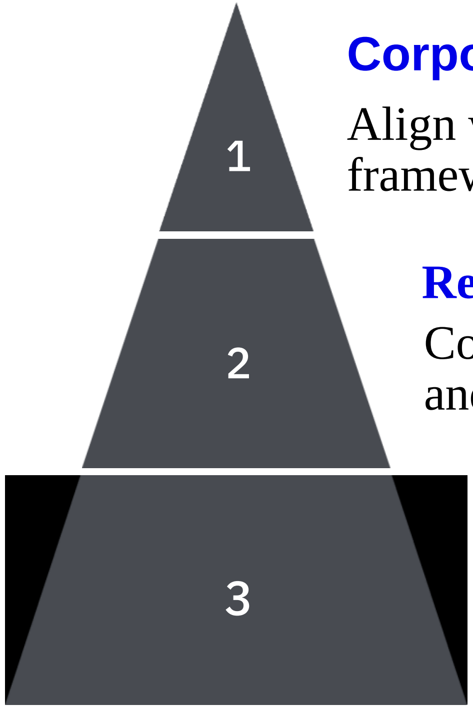
A four-step approach to fairness

DEFINE	INTEGRATE	ASSURE	SCAN
Develop a framework of what "fairness" means for you	**Integrate into business strategies, operations and practices**	**Embed monitoring and assurance processes to evaluate outcomes**	**Horizon scan for continuous improvements and remediations**



Source: [Fairness in UK health insurance: Developing a framework and best practices in health insurance]

Step 1: Define your fairness framework



Corporate Values

Align with brand values, strategic and risk management framework

Regulatory Requirements

Consumer Duty, vulnerable customers, data privacy and use of AI

Fairness Principles

Equality, need, recognition, participation, distribution

The **FCA's Consumer Duty** requires firms to focus on **delivering good outcomes** for customers, based on three cross-cutting rules: **1. act in good faith; 2. avoid foreseeable harm; and 3. enable consumers to make informed decisions**.

Step 2: Integrate fairness into operations

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Pricing & Underwriting

- Data-driven analysis
- Transparent medical underwriting
- Clear documentation
- Consistent decision-making

AI Usage

- Pre-screen data to reduce bias
- Ensure explainability and human oversight
- Implement AI risk management and governance framework

Customer Service

- Ensure access to quality healthcare
- Needs of vulnerable customers
- Avoid behavioural and unconscious bias

Sustainable Business Model

- Invest in technology and build strategic partnerships
- Foster a culture of collaboration
- Vintaging and experience sharing

Step 3: Embed assurance processes

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Algorithmic Testing

Proactively investigate and remediate biases in AI systems

Customer Claim Journey

Ensure fair treatment when customers are most vulnerable

Societal Inclusion

Identify underserved communities as business opportunities

Simply removing protected characteristics from data isn't enough - indirect bias must be addressed.

Step 4: Monitoring and horizon scanning

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Monitor EU regulations

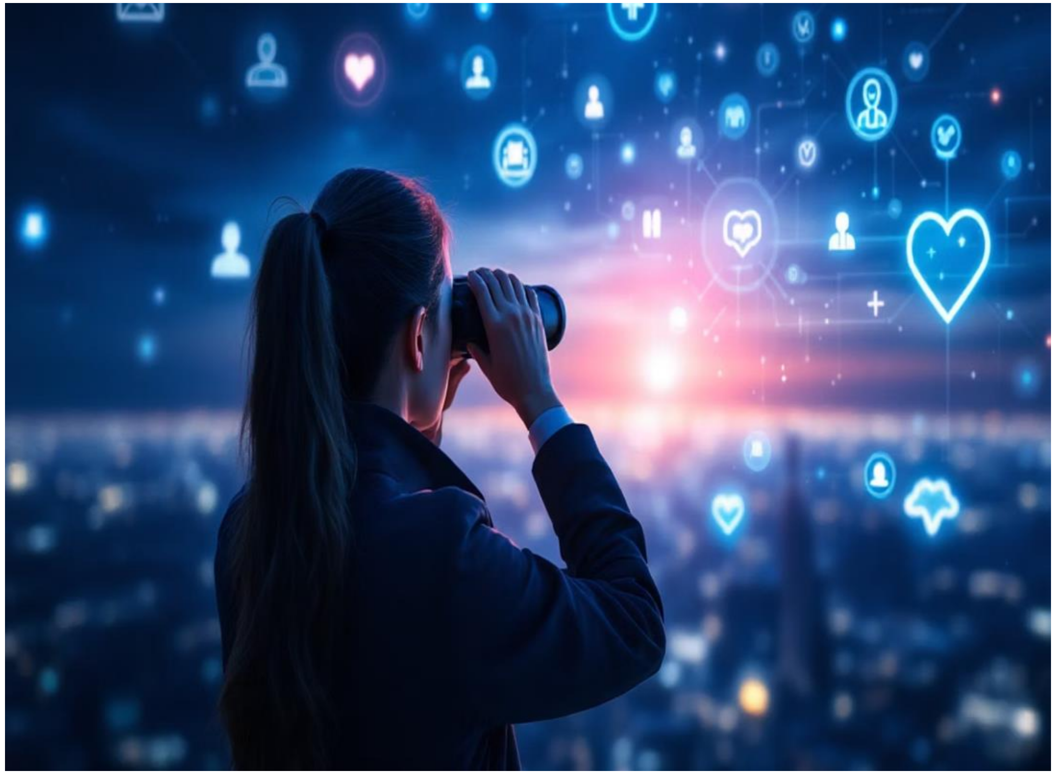
EU rules often become UK precursors

Track consumers campaigns

"Fair Insurance Pricing" and "Right to Forget" for cancer

Genetic testing and personalised medicine

Balance genetic testing, privacy and fairness



Part II: Fireside Chat

Questions

Comments

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