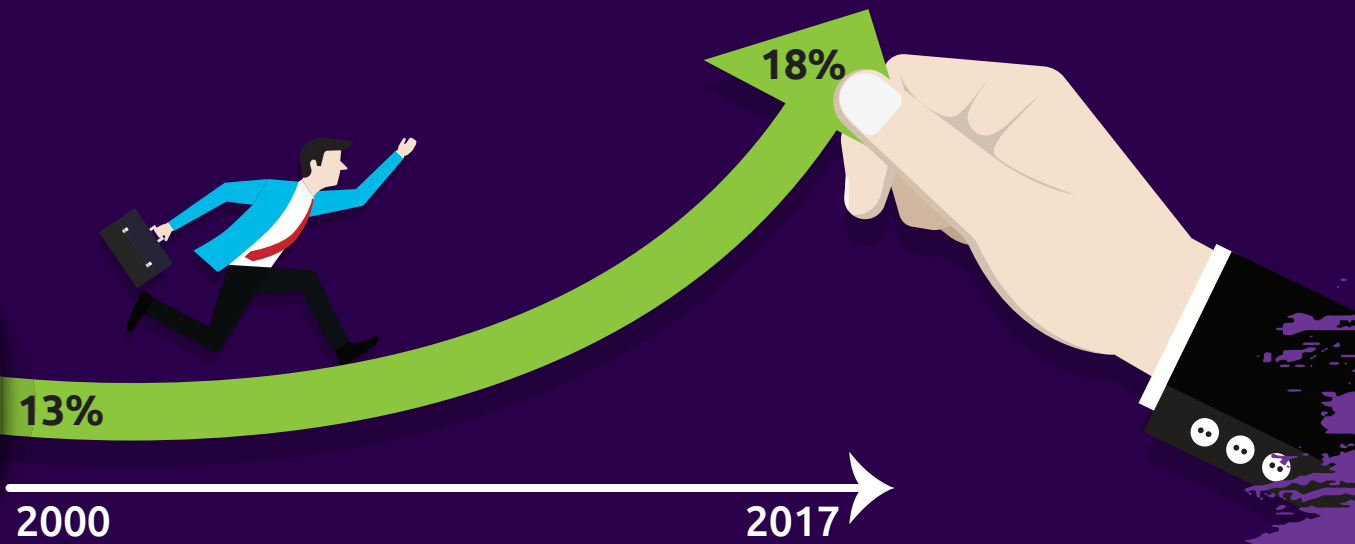


The health insurance industry is evolving and undergoing change

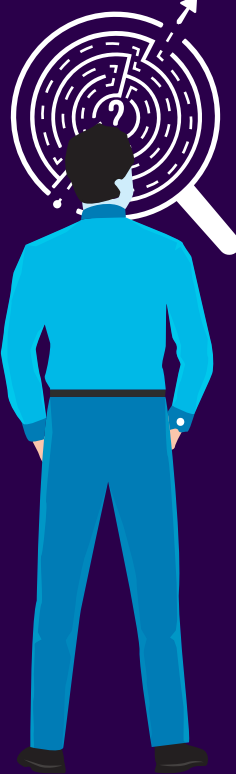


Health care expenses (as a percentage of US GDP) rose from about **13%** in **2000** to nearly **18%** in **2017**¹

Globally, average medical trend rates are expecting to reach **8.0%** in **2020**, which is **nearly 5 percentage** points more than the average **(3.1%)** inflation rate²³

CHALLENGES

OPPORTUNITIES



Aging population



Tech-savvy customers



Complex medical conditions



Medication non-adherence



Emerging technologies



Insurers are adopting change-management strategies

Market forces pressure the health insurance industry to realign



Insurers are becoming more transparent to bolster customer trust



A holistic insurance experience offers members a wide range of value-added services



Insurance chatbots offer an engaging and guided customer experience



Wearables and digital platforms drive changes in behavior and increase Rx adherence



Insurers are leveraging predictive analytics for risk profiling and early intervention



APIs drive data interoperability within the healthcare industry



Automation boosts claims processing efficiency and may enable real-time payments



CHANGING BUSINESS ENVIRONMENT

EVOLVING CUSTOMER PREFERENCES

EMERGING RISK LANDSCAPE

ENHANCING OPERATIONAL EFFICIENCY

To thrive over the long term, firms must adopt *Inventive Insurer* competencies:

Customer centricity

Agile products

Intelligent processes

Open Ecosystem



1 Historical National Health Expenditure Data, Centers for Medicare & Medicaid Services
2 Net annual medical trend rate refers to anticipated percentage increase in medical plan unit costs net of inflation
3 Global Medical Trend Rates report 2020, Aon