Risk Mitigation for Travellers

19 September 2018

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Introduction

Objectives

- To build an evidence base that demonstrates the benefits of the Chubb & Intl.SOS Partnership
- For Intl.SOS and Chubb to build robust statistical evidence based on past claims and cases for joint clients
- Focus on joint corporate clients having Business Travel (BTA) Insurance and Travel Risk Management assistance
- To enable Chubb and Intl.SOS to promote a compelling risk and cost mitigation proposition to the market

Background to the data

- Anecdotal data from Chubb (legacy) suggested a 20% improvement in claims experience
- The Chubb Data has a significant data set of 10 797 cases
- The majority of clients in Australia and New Zealand are covered by Chubb
- We have dedicated procedures, and processes in place that ensures consistency
- Our joint review of data is intended to provide support for:
  - New business acquisition by supporting the Cost & Risk agenda
  - Retention support for the vast majority of clients
  - Neutralising negative market influences

Data collection

The Process

Data was captured through calls into Intl.SOS Assistance Centres :

- Cases are related to joint Corporate Clients only
- Cases are categorised in accordance to Intl.SOS quality processes which ensure case management process for:
  - Triage of cases
  - Allocation of case to type and sub-type
  - Cases classed against first call date
  - Total cases for Case Type across all clients with direct billing
  - Cases may change category through progression of a case

Data for a seven year period, 2011 to 2017, was extracted and assessed

Only shared lives were considered

Excluded data

- Outlier cases were identified however were included by Insurer
- Open and declined cases were excluded

Data extraction

- Data was extracted by case level and service level for comparison
  - Review high costs cases for discussion with Chubb for inclusion or exclusion
  - Duplicate cases were removed

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Key findings case type

No increase in **number and cost of evacuations** despite a

53%
increase in trips to moderate, high or extreme risk locations

in-patient cases decreased by

13% [2]

average cost of **out-patient cases decreased** by

33% [3]

There is a decrease in the frequency of inpatient cases which often incur significant costs.

We have seen a significant increase in travel numbers to moderate, high or extreme risk environments whilst the number of evacuations stays the same.

Despite the impact of medical inflation, the cost of evacuations has remained stable.

Increased travel volume to these environments did not result in increased evacuations.
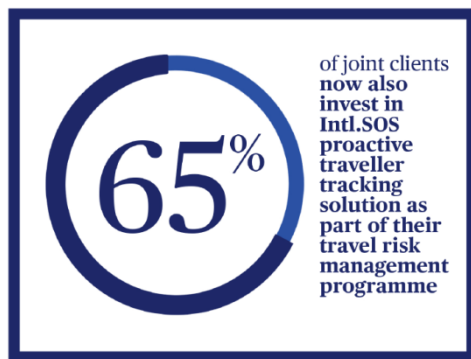
Decrease in average outpatient costs in high cost environments and increasing medical inflation.

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Key findings claim size

65% of joint clients now also invest in Intl.SOS proactive traveller tracking solution as part of their travel risk management programme

Despite a trend of pronounced medical expense inflation overseas, the **average cost of medical cases** for joint Chubb, International SOS clients decreased by **42%** [4]

In 4 years, the number of joint client organisations **investing in proactive travel risk management solutions** has increased by **154%**

2013   2014   2015   2016   2017

There is a significant decrease in average medical case costs for joint Chubb and Intl.SOS clients despite medical inflation.

There has been a significant increase in the number of joint clients and consequently the number of lives. Whilst inpatient cases reduced, evacuations cases remained the same. The ratio of evacuations to overall lives has therefore improved.

Joint clients are increasingly engaging travel tracking solutions to enhance their travel risk management programmes.

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Conclusions

- Based on evidence provided in our key findings, our cost and risk mitigation solutions positively impacts the type and severity of cases, despite increased travel volume and risk.

- These key findings help demonstrate how the combined risk and insurance solutions provided by Chubb and the travel risk mitigation solutions provided by International SOS, ultimately lead to:
    - Fewer and lower value insurance claims
    - Healthier and safer business travellers
    - Less business disruptions by having to managed unexpected incidents
    - A greater ability to address medical Inflation, which is approximately 10% globally

- Chubb and International SOS work closely with brokers to help clients and demonstrate the value that can be delivered by a robust collaboration.

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