The **value** in
Vitality Shared-value Insurance

Who is this guide for: *Insurers*
What is the aim: *To explain the concept of Vitality Shared-value Insurance and how each stakeholder within the Model benefits*

Vitality has changed the way in which clients engage with insurers and advisers. It is **no longer the passive 'grudge' relationship** common in traditional insurance but instead a series of **fun, engaging – and rewarding! – interactions** that underpin our popular behavioural change programme.

We designed Vitality to address a challenging insurance dynamic:

Traditional insurers price risk at policy inception. With this model, there is no incentive for unhealthy clients to improve their health and healthy clients don't receive appropriate value. This dynamic drives retention of unhealthy clients and often leads to policy cancellations of healthy clients.

Vitality encourages **incentivised behaviour** change, attracting healthier clients whilst improving the management of existing ones. The result is a **stronger customer base** and **ongoing sales conversations driven by a compelling narrative.**

We do this with Vitality Shared-value Insurance (SVI).

Vitality's Shared-value Insurance Model is globally recognised and award-winning, based on a simple principle: **all stakeholders in the insurance system or cycle (including clients, the insurer, advisers and society as a whole) all benefit when clients embrace healthier behaviours.**

While a large proportion of health risk is controllable, this is not usually reflected in premiums. Vitality encourages incentivised behaviour change, attracting healthier clients whilst improving the management of existing ones. The result is a stronger customer base and ongoing sales conversations driven by a compelling narrative.

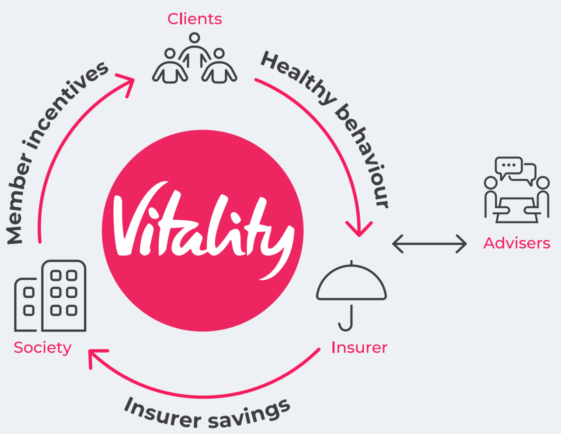
The **healthier** clients get = the **higher** their Vitality status = the **greater** the rewards = the **more** they engage

Through the Vitality programme, the **insurer provides clients with a range of exciting incentives to encourage healthier lifestyle choices.** The rise in **positive behaviours leads to fewer claims**, creating a larger savings pool for the insurer. These **surplus savings are then reinvested** to offer even greater rewards for clients – further **promoting positive behavioural change.**

This all comes together to create a virtuous cycle of value for all stakeholders:

Clients
- Improved health and productivity
- Meaningful, exciting rewards
- Better policy value linked to dynamic pricing

Society
- Healthier society
- Improved presenteeism and productivity
- Reduced healthcare burden



Advisers
- Access to a broader market through a differentiated offering
- Increased touch points and more positive messaging
- Improved client loyalty resulting in:
  - Improved cross- and up-sell opportunities
  - Higher quality referrals
  - Better client retention

Insurers
- Greater client engagement
- Higher sales volumes, higher margins and greater savings generated
- Improved claims experience
- Positive selection and lower lapse rates

As an insurer leveraging Vitality's SVI Model, you can expect **greater client engagement, improved productivity & better retention rates** – helping you achieve **long-term stability** and **business success.**