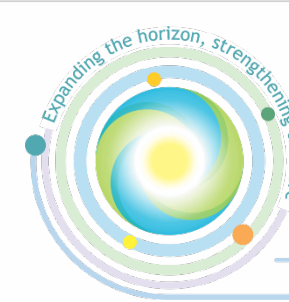




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**20th Global
Conference of Actuaries**
4th - 6th March, 2019 | Mumbai, India

Behavioral Science: New perspectives to help solve the insurance industry's greatest challenges

Matt Battersby
Chief Behavioral Scientist
RGA

Plenary 6
5th March 2019

How many decisions will you make today about food?



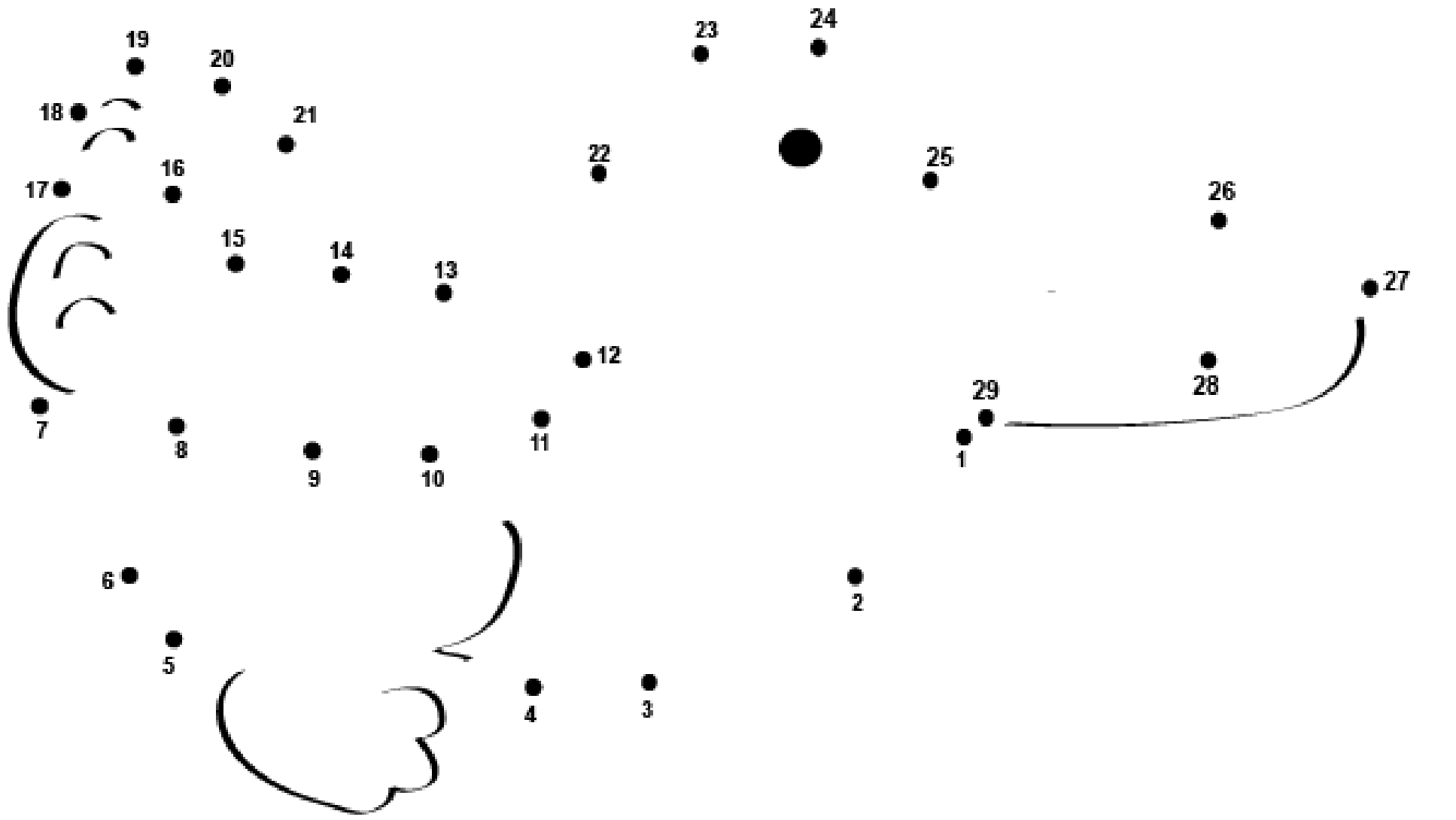


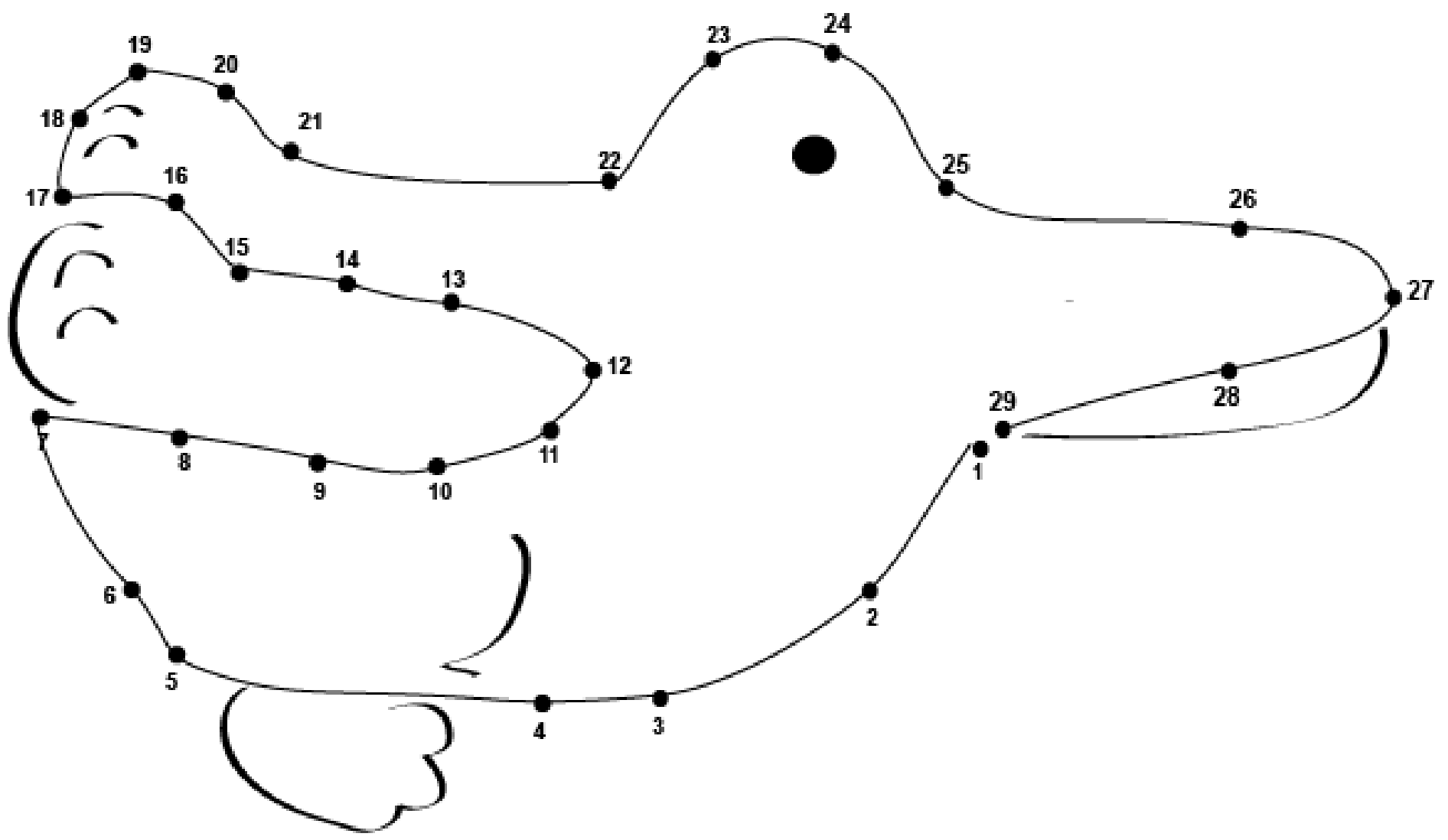
**11,000,000 bits
per second**



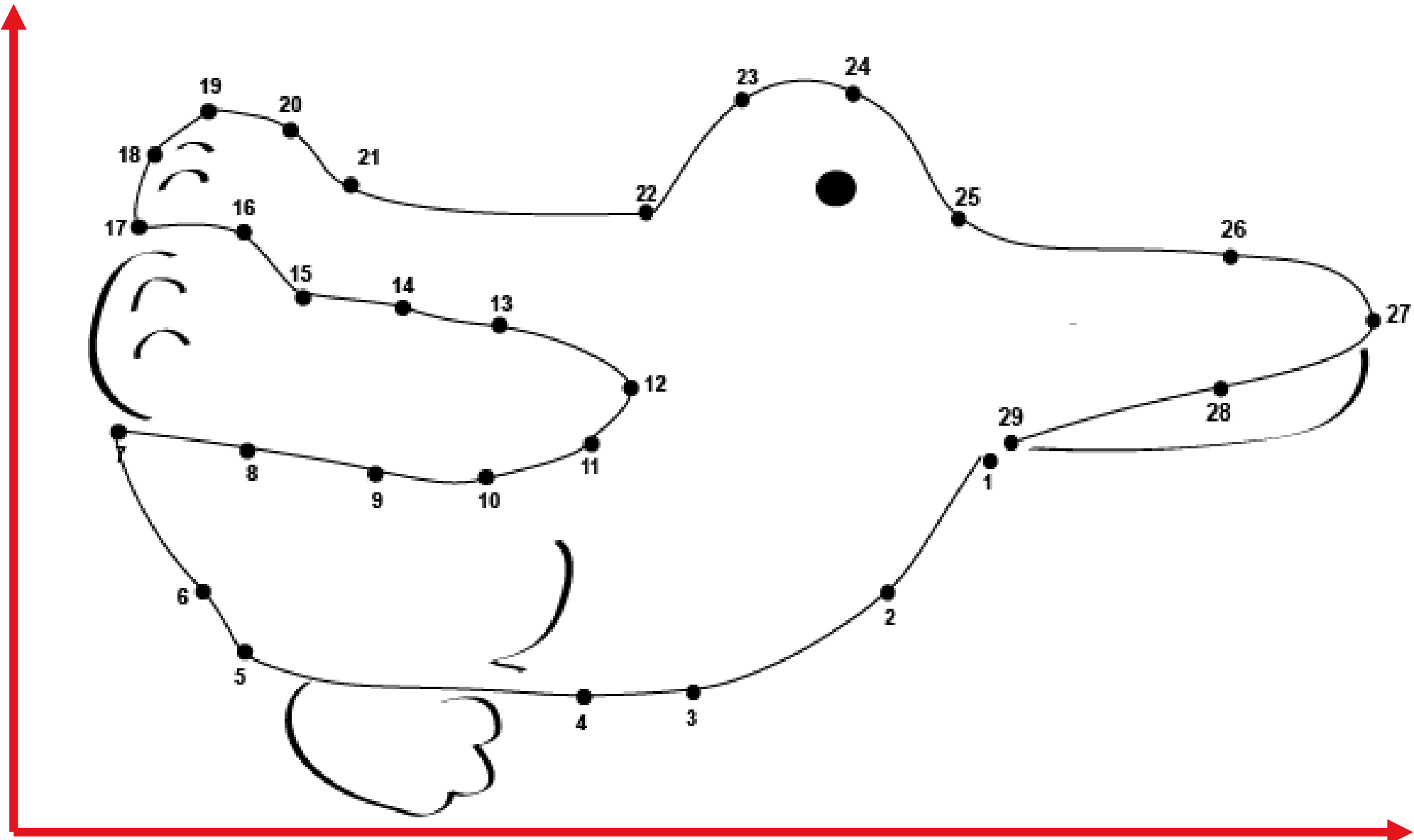
**11,000,000 bits
per second**

**40 bits
per second**

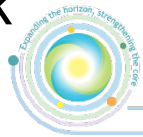




Rabbit



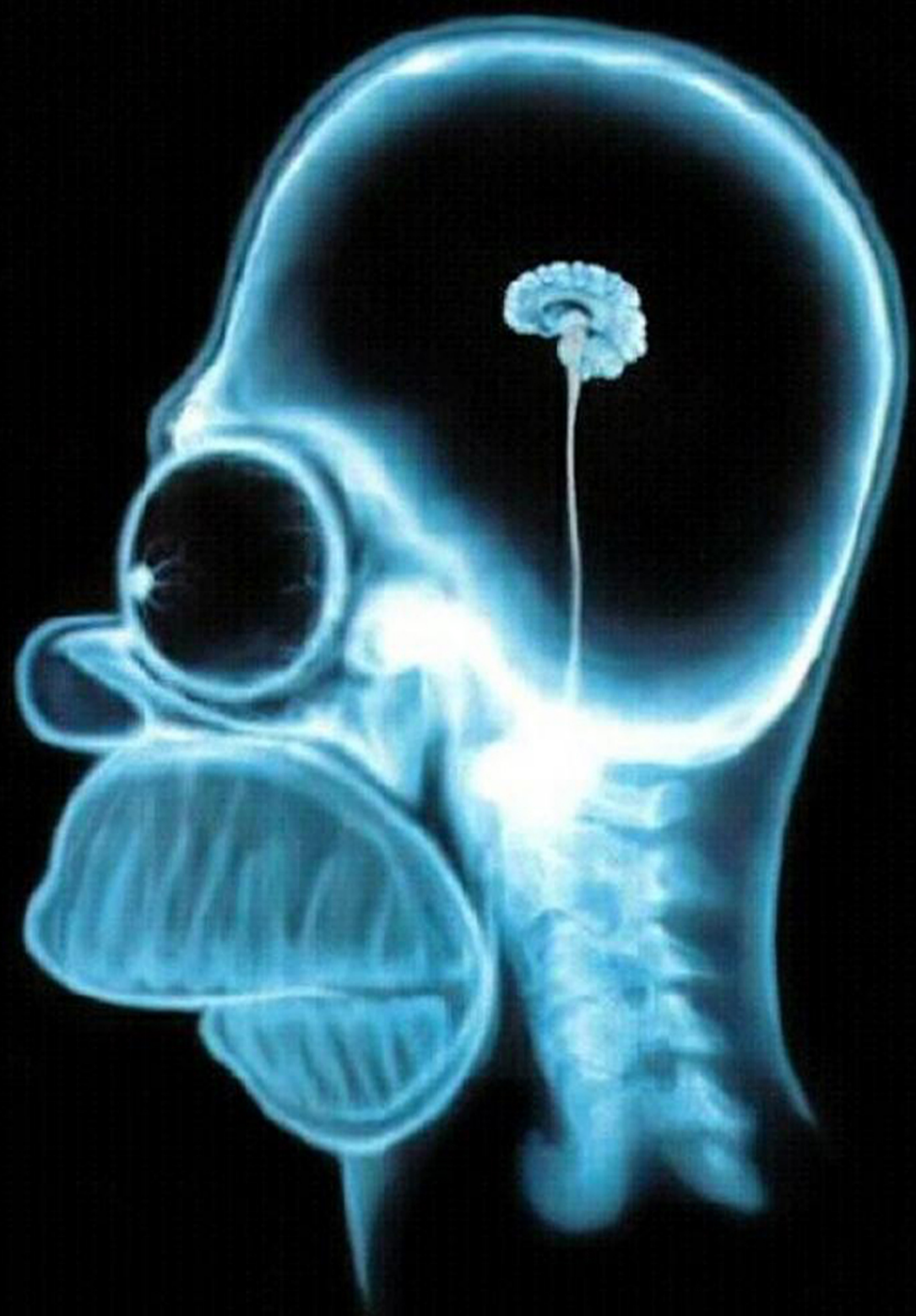
Duck



How people think

System 1: fast/hot

- Automatic
- Uncontrolled
- Effortless
- Associative
- Affective
- Unconscious



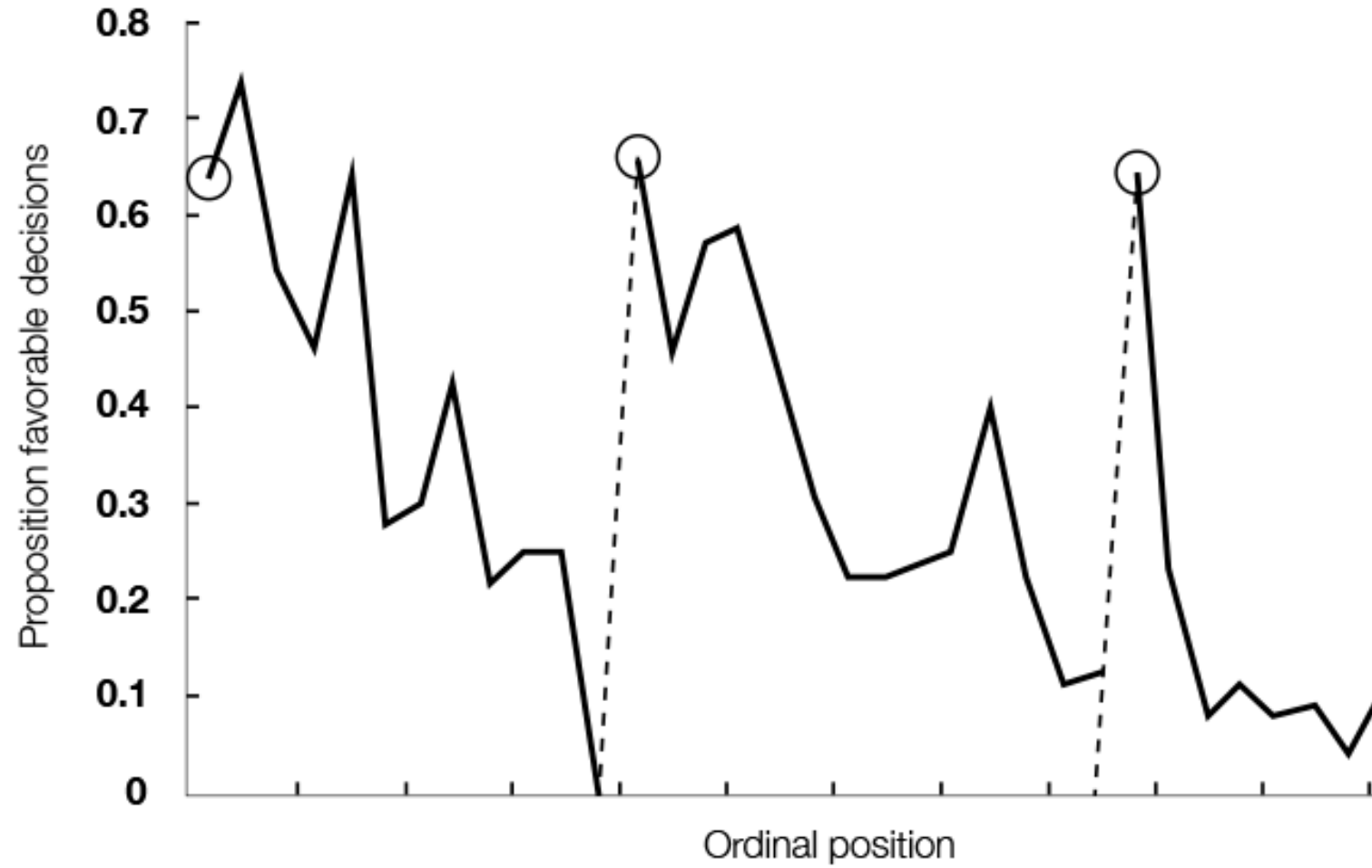
How people think

System 2: slow/cool

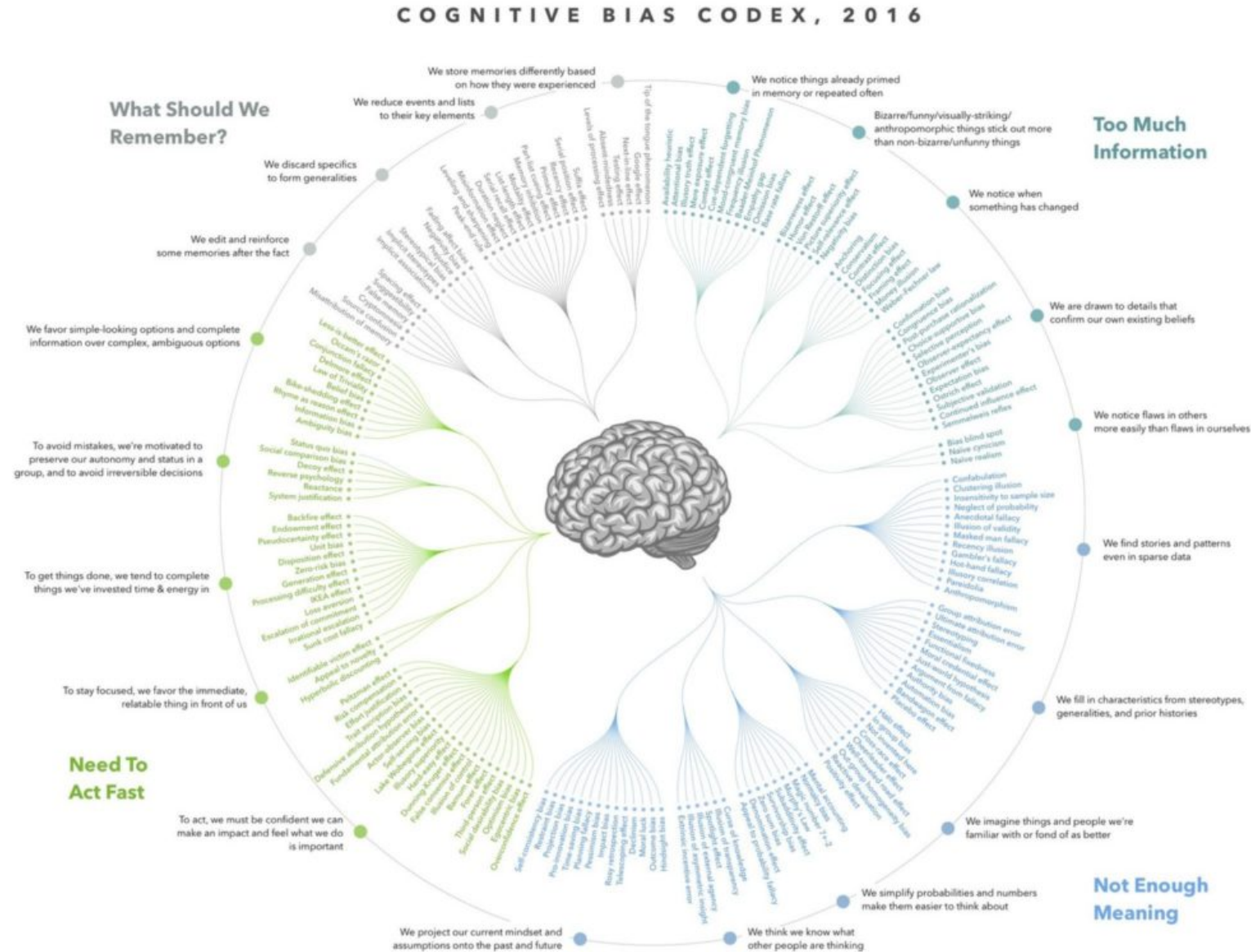
- Reflective
- Controlled
- Effortful
- Slow
- Deliberative
- Conscious



Judges are human too



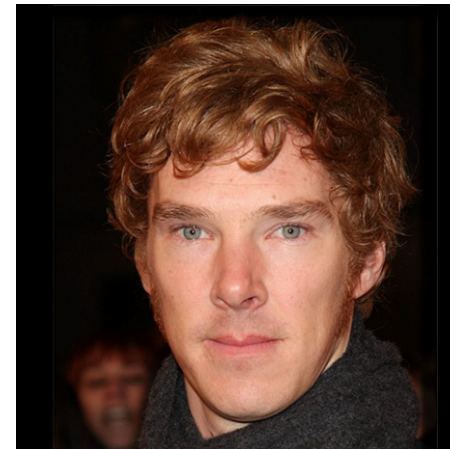
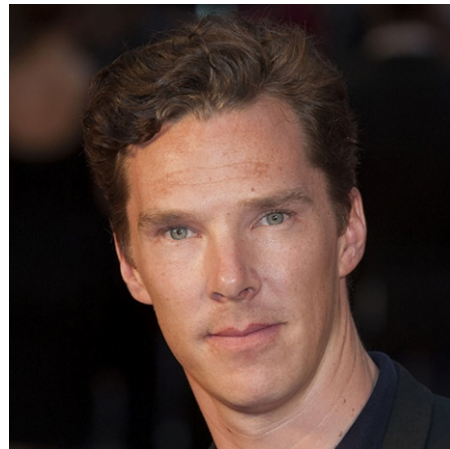
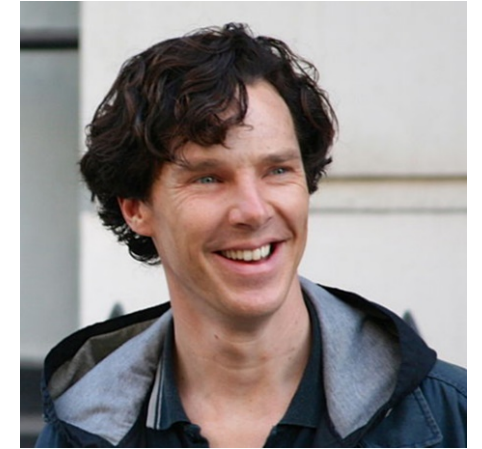
Multiple biases



Availability heuristic



Do we have a Sherlock Holmes bias?



Tackling our biggest challenges



- Inadequate demand at reasonable premiums
- Purchasing wrong amount of coverage
- Adverse selection

- Inaccurate disclosures
- Non-completion and conversion

- Unhealthy lifestyles and behaviours
- Inaccurate claims
- Slow recovery
- Lapse and non-renewal



Closing the disclosure gap



Closing the disclosure gap

- Intentional inaccuracy
 - Lying
 - Organized (criminal)
 - Individual (coverage and premium reduction)



Closing the disclosure gap

- Intentional inaccuracy
 - Lying
 - Organized (criminal)
 - Individual (coverage and premium reduction)
 - Individual (lying to oneself)



Closing the disclosure gap

- Intentional inaccuracy
 - Lying
 - Organized (criminal)
 - Individual (coverage and premium reduction)
 - Individual (lying to oneself)

- Unintentional inaccuracy
 - Mistaken
 - Forgotten



Closing the disclosure gap

Make it easier to be accurate and
harder to lie



1. Start accurate and honest

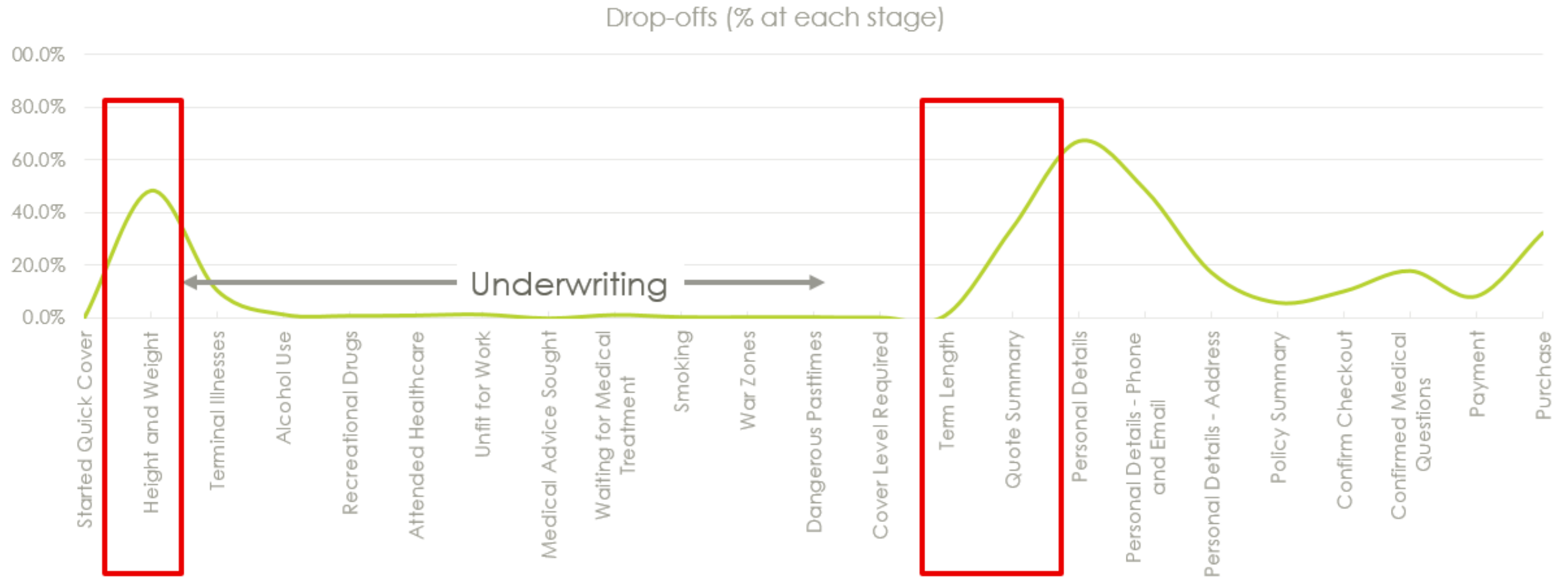
Can you answer our questions truthfully and ensure that your answers are complete and accurate?

I promise to tell the truth!

I can't make that promise



1. Start accurate and honest



2. Simplify questions

- Have you ever had, or been told that you have, or are under current investigation for cancer, carcinoma in situ, tumor, lump, cyst, polyp, growth of any kind, or liver disease?



2. Simplify questions

We are now going to ask about your medical history.

Please confirm which of the following conditions you have had or have been investigated for:

Cancer

Tumour

Lump, growth,
cyst or polyp

Carcinoma
in situ

Liver disease

None of the above



3. Prompt memory

On an average week how many of the following drinks do you consume?

Please type the numbers for each drink and any other drinks not listed into the boxes below:



**bottle (330ml)
of premium beer**



pint of beer



pint of cider



**glass of 25ml
measured spirits**



**bottle (275ml)
of alcopops**



**medium (175ml)
glass of wine**

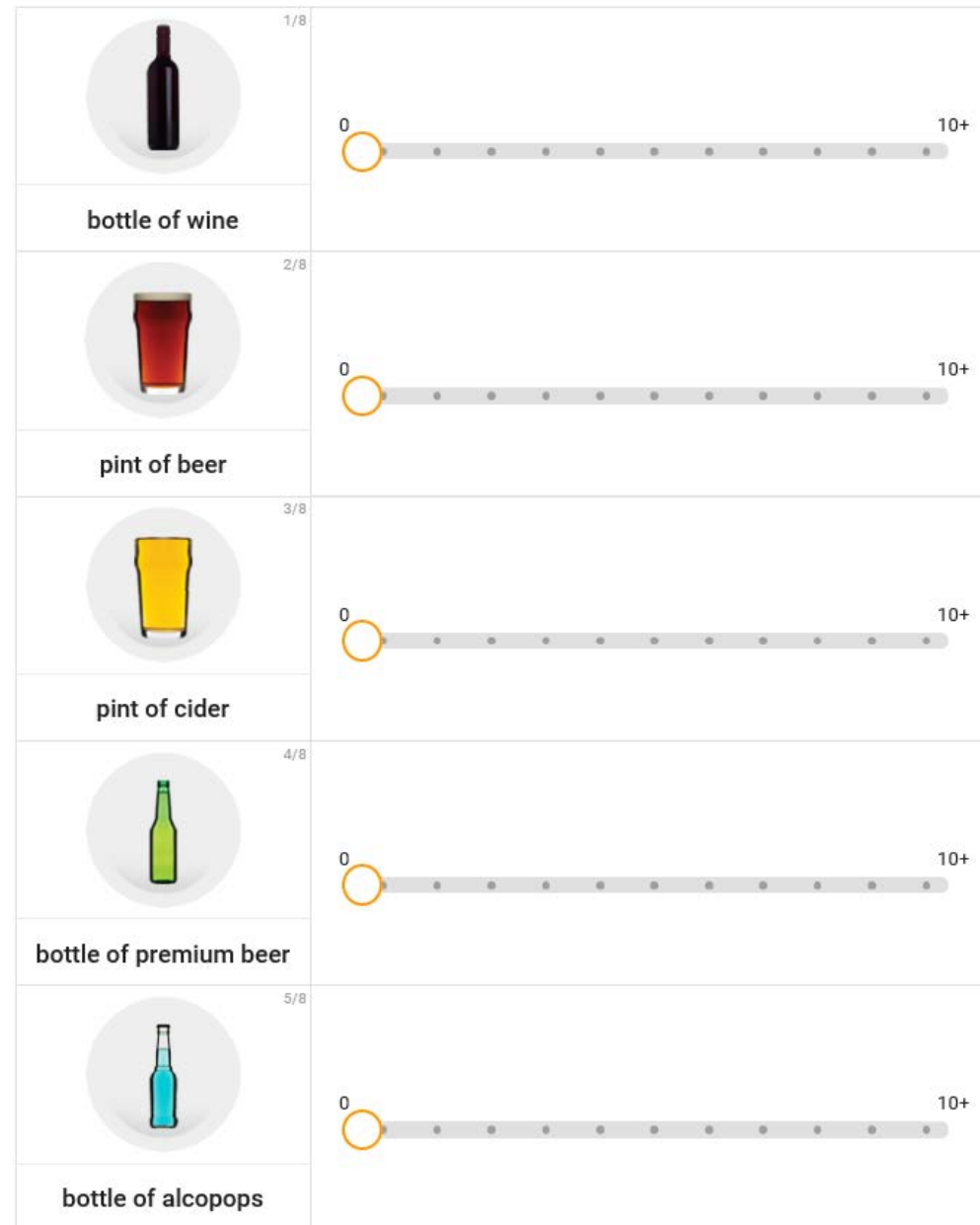


**bottle (750ml)
of wine**

Other alcoholic drink(s) please specify:



4. Reduce the stigma




4. Reduce the stigma

GROUP A

Original question:
Have you smoked in the past 12 months?

- Yes
- No

20%
disclosed they were a smoker



GROUP B

Revised question:
Please confirm how many cigarettes a day you smoke?

- More than 30
- 21-30
- 10-20
- Less than 10
- None in the past 12 months
- Never

33%
disclosed they were a smoker



5. Ask again

1. What is your current weight?



5. Ask again

1. What is your current weight?



2. We recognize that not everyone weigh themselves regularly so it is not always easy to provide an accurate figure. If you have not weighed yourself within the last week, please highlight which of the following is true:

- I think I may weigh a little bit more than my estimate
- I think I may weigh a little bit less than my estimate
- I'm confident this is my exact weight





Healthy lifestyles and behaviours



A close-up photograph of a woman with long, wavy brown hair and bangs. She is looking down at a white smartphone held in her hands. Her expression is focused. She is wearing a grey and white patterned top. The background is blurred, suggesting an indoor setting.

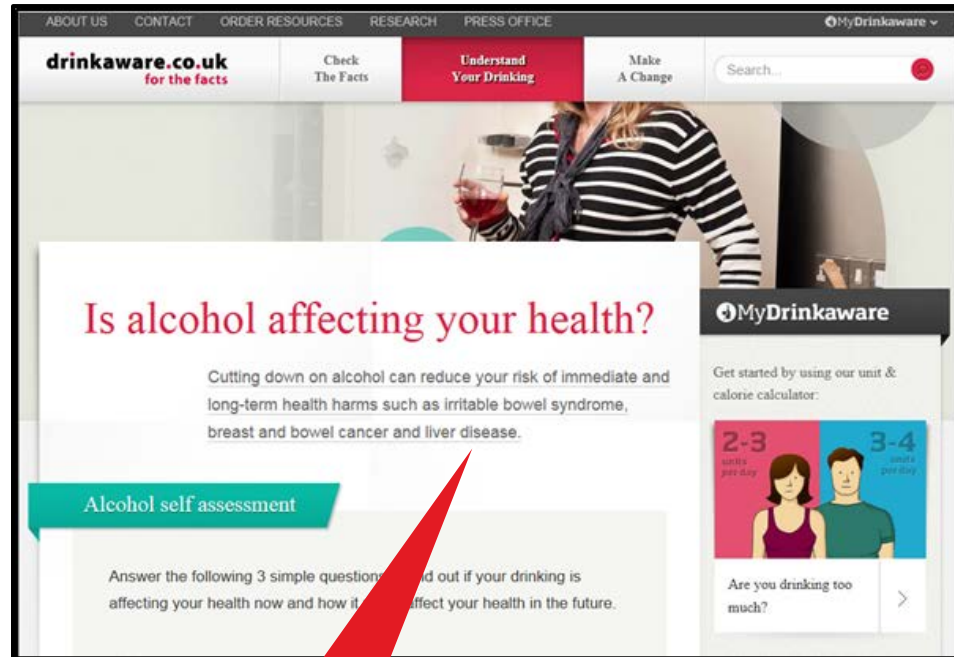
**250,000
health
and
fitness
apps**

Making plans and setting goals

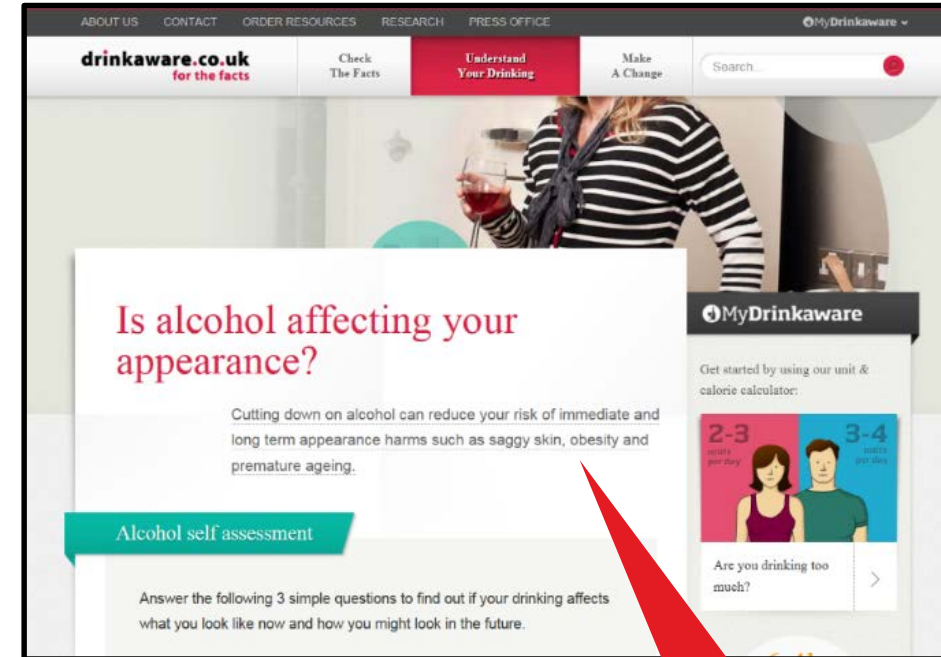


1. Set a goal

Reducing harmful levels of drinking




*“Is alcohol affecting your health?
Cutting down on alcohol can reduce
your risk of ..., breast and bowel
cancer and liver disease”*



*Is alcohol affecting your appearance?
Cutting down on alcohol can reduce
your risk of ... saggy skin, obesity and
premature ageing”*

2. Make a commitment

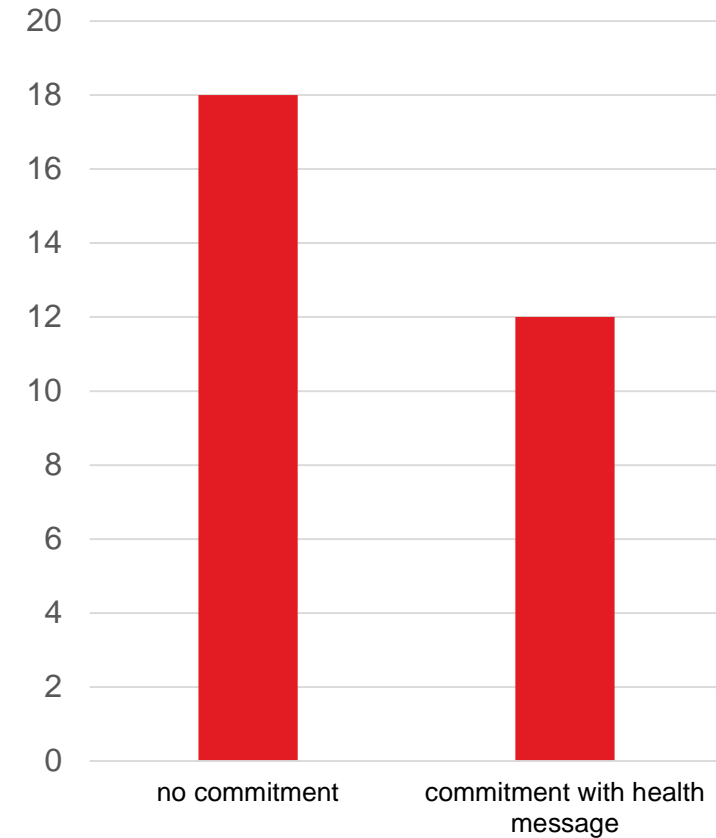
Medication adherence

Not taking my medication as prescribed could risk my health. 

I want to do all I can to improve my health, so I commit to taking this medication exactly as prescribed, or I will speak to my GP or pharmacist if I have a concern.

Signed:

Date:



■ percentage of patients not taking their medication

3. Make a plan

Regular cycling

MY CYCLING PLAN FOR 2017

I am taking part in this HSBC UK City Ride to:

To help me cycle more, my 2017 goals are:
(Think about how many more times per week)

Things I could do to help me achieve my goals:
(Think about with who, when and where)

I know I might not cycle if: To overcome this challenge, I will:

I'm pledging my goal: HSBC UK City Ride validates your pledge:

STICK THIS PLAN TO YOUR FRIDGE AS A REMINDER

For more info on HSBC UK City Ride, visit:
WWW.LETSRIDE.CO.UK

HSBC UK BRITISH CYCLING

4. Show progress



4. Illusion of progress

Café Cappuccino at Columbia University
Buy 10 American Coffees and get one American Coffee or one baked good FREE

1	2	3	4	5	6	7	8	9	10	Free!

One stamp per visit - Free reward redeemable on next visit

Café Cappuccino at Columbia University
Buy 12 American Coffees and get one American Coffee or one baked good FREE

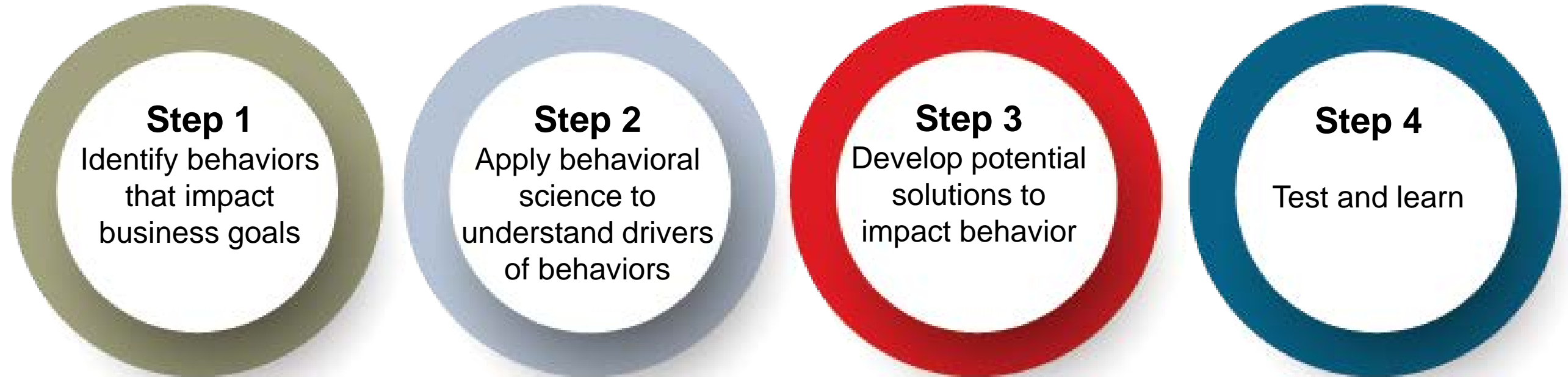
1	2	3	4	5	6	7	8	9	10	11	12	Free!

One stamp per visit - Free reward redeemable on next visit



Getting started

Approach to tackling challenges





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THANK YOU