

Why I believe John Hancock's decision to scrap traditional insurance in favour of interactive policies is a good thing.



Last week John Hancock Insurance, a subsidiary of Manulife, announced that they were shifting to “interactive policies.” In line with South Africa’s Discovery Health and their “Vitality” program, they will be asking policyholders to track their fitness and lifestyle using smartphones and wearable activity devices. In return, John Hancock will reward their policyholders with premium discounts between 5-15% if they meet lifestyle targets.

There has been some criticism by privacy advocates and those that believe these interactive policies will discriminate those who don’t share their activity data -- but all insurance policies discriminate. If policyholders are given incentive to adopt health habits and insurance companies collect more premiums and pay less in claims if customers live longer, isn’t that a win-win?

Just look at the stats. From the World Health Organization:

- By 2020, Chronic disease will account for 73% of all global deaths;
- By 2030, 50% of the population will be obese;

And in Canada?

- 1 in 3 will be living with diabetes or prediabetes by 2020 (Canadian Diabetes Association)
- By 2020, Chronic Obstructive Pulmonary Disease will be the #3 cause of death (Lung Association of Canada)
- 1 in 2 people will develop cancer in their lifetime and 1 in 4 will die from lung, colorectal, breast or prostate cancer (Canadian Cancer Society)

It’s time to act. Our public healthcare system faces a “grey tsunami,” where there are now more people over the age of 65 than younger than age 15. I welcome Canadian individuals and companies who voluntarily enter a life insurance policy that supports healthier lifestyles—one that will save them money!

I was first introduced to this model by Harvard Business School’s Prof. Regina Herzlinger. When I hosted her in Toronto ten years ago, she cited the Vitality program as proof of the effectiveness of my own clinic’s prevention model. Her colleagues at Harvard have [since reaffirmed this support in a Harvard Business School Case](#), saying that the Vitality program’s technique of using behavioral economics models to reward healthy lifestyle choices has been a huge success.

How successful? Vitality Program members have higher life expectancy, with 7-14% lower health care costs. They’re exercising more, which is reducing probability of hospital admission by up to 13%, and their mortality rates declined by up to 9%. Many were buying healthier food, and 23% were more likely to seek preventive care.

No wonder it’s been exported to 14 countries. It works!



It’s these kind of successes that inspired me to build my own practice in personalized preventive medicine.

This month I’ve launched Health-in-a-Box, where I’ve leveraged my 10+ years at Executive Health Centre to democratize access to prevention based self-testing and health professional advice—all with the goal of encouraging people to live happier, healthier and longer lives. Preventive medicine works, and incentives work to make it happen.

My challenge to the critics of the Hancock plan: show me a better way to encourage Canadians to understand their health activity numbers and, ultimately, reduce their risk of disease. I applaud any initiative which will deliver healthier lifestyles and reduces healthcare costs.

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