

# Group Insurance 2030: What Will It Look Like?

## INTRODUCTION

Much has been said about the current state of group insurance: its intensely competitive market, widespread legacy systems, and complex ecosystems, but how despite these issues, it remains a robust industry whose players benefit from a successful business model. However, what will the group insurance industry look like in the near future? What are some of the emerging ecosystems that we can expect to see over the next five to 10 years, and how will they result in better health and wellness outcomes for consumers? In this insight paper, we'll present some of the trending new ecosystems that group insurance customers can expect to see by 2030, as well as some state-of-the-art use cases that provide a more enhanced and comprehensive group insurance service.

## “INTELLIGENT” DATA-BASED HEALTHCARE MANAGEMENT

It's estimated that 60% of U.S. adults have a chronic condition that requires ongoing management, such as diabetes, heart disease, or arthritis. This percentage of today's healthcare consumers generates 90% of current healthcare costs. Although most clinicians have established methods for consumers to manage these conditions, consumers often fail to comply with these plans, due to misunderstood instructions, forgetfulness, a lack of healthcare access, or even periodic symptom declines. But new technologies, a/k/a “intelligent” plans in cell phones and wearable apps operated by voice recognition, smart phone-enabled tests, and even biometric authentication, will be able to assist patients to remember and follow treatment plans. These apps, expected to be available over the next 10 years, will also be able to aggregate consumers' healthcare data in one central repository and use it to continually modify treatment and coaching instructions. Although these apps will hopefully become more accessible and easier to use for even the most technology-resistant consumers, the real challenge lies in getting less-health-conscious consumers to follow these plans. Future innovations such as online “smart” coaching based on aggregated personalized data will help consumers achieve ideal outcomes such weight loss, improved diet, and an overall healthier lifestyle.

### A Significant Future Ecosystem

This “intelligent” approach to treatment plans to guide healthcare consumers is expected to be one of the next significant ecosystems in group insurance. It should be particularly impactful in the disability insurance sector, where “intelligent” treatment plans will also be leveraged for treatment plans, to help employees and employers get sick and absent employees back to work as quickly as possible. Much like the chronic health treatment plans mentioned earlier, these “intelligent” disability health plans will aggregate consumers' health data into one central source, and continually update with new clinician data/instructions. It is expected that these plans will become increasingly personalized, especially as the amount of available telehealth and electronic medical forms continues to grow exponentially. Now



estimated at about 2300 billion gigabytes and growing at a rate of 50% each year, the explosion of healthcare data will provide an ongoing repository of information to make these plans possible.

### **The Data Downside**

One of the more controversial aspects of the exponential growth of available healthcare data is the issue of privacy, with one recent example the genetic data mined through online DNA kits (23and me, Ancestry.com) that were popular among consumers who were curious about their genetic ancestry. Interest in these kits plummeted after 2019 on account of data privacy concerns, especially when it was revealed that this data could be misused by law enforcement, pharmaceutical companies, and in particular, insurance companies to deny policies to consumers based on their genetic predispositions. Although genetic data attached to electronic health records is protected by Health Insurance Portability and Accountability Act (HIPPA) regulations, other data not associated with health records is unprotected, which has made consumers redouble their efforts to protect sensitive healthcare data from misuse. As many consumers have admitted that they do not trust their employers with sensitive health data, along with the fact that current privacy laws related to genetic data do not protect people with existing disabilities, healthcare data privacy should remain a particularly sensitive issue for the long term.

## **FUTURE BENEFITS SCENARIOS<sup>1</sup>**

Come 2030, consumers can expect innovative new scenarios that will fundamentally change their established group insurance experience. In particular, next-generation approaches to some of the most basic aspects of today's group insurance model.

### **Instant Enrollment**

By 2030, we expect that consumers will be able to fill out a job seeker profile that will supply potential employers with pre-packaged, authenticated demographic data, i.e., marriage status, children, age, etc. So when a consumer is selected for a new position, a background check will be unnecessary; the consumer's information will have already been submitted via a blockchain-enabled solution that has authenticated their identity and will have provided access to core insurance plan packages based on the submitted information. A "baseline" of benefits will immediately be available, while other insurance "incentives" will also be offered based on the demographic information, making the enrollment process that much more seamless, reliable, and efficient for the employer and new employee. It's important to note that in this model, consumers will be responsible for keeping their demographic data updated, such that their profile is current if they choose to embark on a new job search. The important point is that this information will be more readily available in a digital model to all constituents in the job search, i.e., the potential employee, employer, and hiring managers.

## Coordinated Claims


This next-generation use case is now happening, with claims coordination between core medical insurance and supplemental health insurance products. For example, consumers who are involved in accidents can access automated medical data sharers at the hospital or other treatment center, which they can opt into for immediately sending accident and treatment information to medical, disability, and workers compensation insurers. This will cut down on paperwork and expedite claims information for rapid payout, while simultaneously coordinating these efforts across all three insurers, or with the one insurer responsible for all three products. Although this does imply some degree of coordination between insurers, as well as consumer-approved shared private data, the expectation is that this will become the standard operating model over the next 10 years. Integration between insurance companies in this model may be difficult based on differing insurance codes, but to offer these enhanced service models, insurers will have to make the necessary allowances to realize potential returns.

## Lifetime Portable Benefits

One of the more novel insurance experiences addresses the dilemma of established insurance benefits not transferring from one job to another when a consumer transitions to a new employer. It involves circumventing this issue for graduating seniors who are just starting out on the job market. In this use case, colleges and universities, in partnership with service providers, could build affinity networks that contain "portable" benefit options, including health, dental, and life insurance, as well as other potential offerings such as loans, wealth management, and wellness modules. Program participants could pick and choose from among the offerings or opt out depending on their employment situation, i.e., as a gig, part-time, and full-time worker, or business owner. The real value for participants would be that they will have an insurance benefit network available to them throughout their career, while the sponsoring college or university will be able to stay involved with their alumni as well as build another robust revenue stream. Insurers who partner in this network will also benefit from this ongoing supply of customers, as well as the long-term cross-sell and up-sell opportunities. Although in this model, the bill-paying responsibility will be squarely on the participant; the benefit will be a more straightforward benefits perspective which would otherwise be hidden behind a vague, uniform paystub. Older college and university alumni may have the option of being "grandfathered" into these affinity networks.

## CONCLUSION

Over the next 10 years, consumers can look forward to exciting new innovations in basic group insurance services, as well as revolutionary new ecosystems that will make healthcare maintenance more personalized, accessible, and seamless. Although consumers and insurers alike may have to make allowances in terms of sharing personal healthcare data and integrating previously classified systems, the potential benefits may outweigh the current limitations. Stay tuned for what will be an exciting next



chapter in the group insurance industry, with new ecosystems, "intelligent" data-based healthcare plans, and advanced policy administration systems leading the way.

For the accompanying "Group Insurance 2030: What Will It Look Like?" webinar, click [here](#).

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<sup>1</sup> Future use case scenarios courtesy of Cognizant.