

The Case of Expanding Benefits and the Shrinking Wallet - Dental, Vision, and Pet Insurance

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The range of supplemental benefits

- National Association of Critical Illness Insurers (NACII)
 - ✓ Pre-2017
 - ✓ Focused solely on critical illness (CI)
- National Association of Supplemental Benefit Insurance (NASBI)
 - ✓ NACII transformed to NASBI in 2017
 - ✓ Expanded to include accident insurance (AI) and hospital indemnity (HI)
 - ✓ 2018 expanded to include life and short term disability (STD)
- “Supplemental Benefits” in theory are any product sold to supplement risks beyond medical. Supplemental benefits include:
 - ✓ *Core Supplemental*: Life and Disability
 - ✓ *The “Big 3” Supplemental*: AI, CI, and HI
 - ✓ *Other Supplemental*: Dental, Vision, and Pet

2021 NASBI VIRTUAL SUPPLEMENTAL BENEFITS FORUM

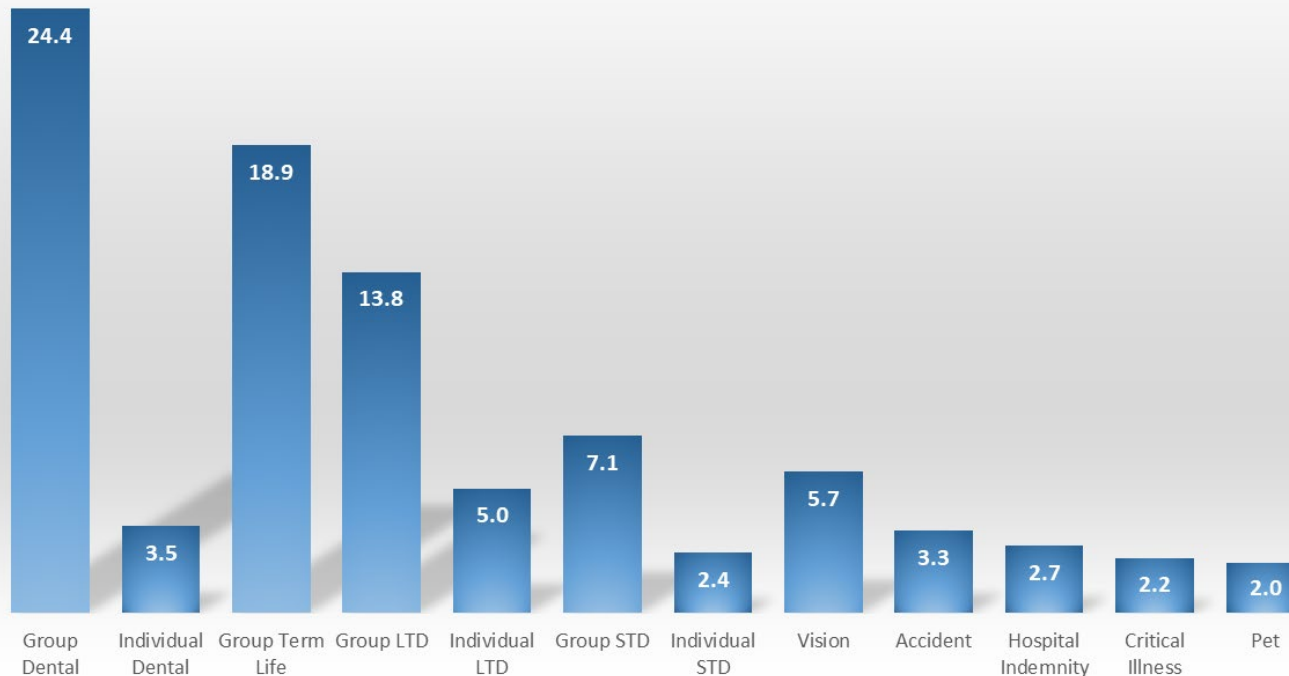
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NASBI

National Association of
Supplemental Benefit Insurance

Supplemental Products 2020 Premiums (\$Billions)



Sources

- Dental, Life, Disability, Vision: Annual statements from S&P Capital IQ Pro
- Accident, Critical Illness, Hospital Indemnity: Milliman Supplemental & Specialty Research
- Pet: North American Pet Health Insurance Association (NAPHIA)



Largest carriers by product

- Group Term Life: MetLife, Minnesota Mutual, New York Life, Prudential
- Group Disability: Lincoln, MetLife, New York Life, The Hartford, Unum
- Accident: Aflac, Allstate, Unum/Colonial
- Critical Illness: Aflac, Allstate, MetLife, Unum/Colonial
- Hospital Indemnity: Aflac, MetLife, Unum/Colonial
- Dental: Cigna, Delta Dentals (Combined), Guardian, MetLife
- Vision: Davis Vision (MetLife), EyeMed, Guardian, UnitedHealthcare, VSP
- Pet: Healthy Paws, Nationwide, Trupanion (Aflac)



MetLife listed
for 6 out of 8
products

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Major carriers are expanding their product mix

METLIFE TO ACQUIRE U.S. PET HEALTH INSURANCE ADMINISTRATOR, PETFIRST

Enters Fast-Growing Pet Insurance Market To Leverage MetLife's Leading Position in Group Benefits

NEW YORK and JEFFERSONVILLE, IN, December 05, 2019

MetLife, Inc. (NYSE: MET) ("MetLife"), and PetFirst Healthcare, LLC ("PetFirst"), a fast-growing pet health insurance administrator, today announced they have entered into a definitive agreement under which MetLife will acquire PetFirst.

Aflac Completes Acquisition of Argus Holdings, LLC

11/07/2019

COLUMBUS, Ga., Nov. 7, 2019 /PRNewswire/ -- Aflac Incorporated (NYSE: AFL) announced today that it has completed its acquisition of Florida-based Argus Holdings, LLC and its subsidiary Argus Dental & Vision, Inc. (Argus), a premier benefits organization and national network dental and vision company.

METLIFE TO ACQUIRE VERSANT HEALTH, OWNER OF DAVIS VISION AND SUPERIOR VISION

Will Establish MetLife as Top-Three Player¹ in U.S. Managed Vision Care Industry

Will Further Strengthen MetLife's Position as Leader in U.S. Group Benefits

NEW YORK, September 17, 2020

MetLife, Inc. (NYSE: MET) today announced it has entered into a definitive agreement to acquire Versant Health from an investor group led by Centerbridge Partners and including FFL Partners for approximately \$1.675 billion in an all-cash transaction. Versant Health owns the well-established marketplace brands Davis Vision and Superior Vision.

COLUMBUS, Ga. and SEATTLE, Oct. 29, 2020 /PRNewswire/ -- Aflac Incorporated (NYSE: AFL), a Fortune 200 company that helps provide protection to more than 50 million people in Japan and the U.S., and Trupanion, Inc. (Nasdaq: TRUP), a leader in medical insurance for cats and dogs, are pleased to have entered into an exclusive alliance agreement to sell pet insurance in worksites across the U.S. This alliance will leverage Aflac's strong brand and broad U.S. worksite distribution network, including its digital Consumer Markets channel, and Trupanion's expertise and leadership in pet insurance. The companies also have agreed to explore potential opportunities in Japan's growing pet insurance market. In connection with the alliance agreement, Aflac will purchase an approximate 9% stake in Trupanion to further drive alignment.





Product considerations

- Dental and Vision:
 - ✓ Traditional supplemental product distributors may not be familiar with these products
 - ✓ Requires network arrangements to be competitive
 - ✓ Rating involves “trend”
 - ✓ Unique administration needs for these high utilization products
- Pet Insurance:
 - ✓ Requires P&C license for carrier and distributor
 - ✓ Do you build capabilities or partner with another carrier?
 - ✓ Not historically sold as a group product, but that is changing



Interesting consumer survey idea

- Assume you do not currently have any of these insurance coverages. If you had an extra \$50 each month, which product would you buy?
 - Dental
 - Vision
 - Accident
 - Critical Illness
 - Hospital Indemnity
 - Pet

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Thank You



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