



Health Insurance
MARKET DEVELOPMENT IN FINLAND

Julius Manni
SVP New Business

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Relax, we'll help you.

JULIUS MANNI

On a journey to change the insurance industry

Leading **SME sales** and exploring **new business opportunities** for If in the Nordic region

Worked for Accenture and as Managing Director for **technology consulting** company Affecto

Passionate about driving better **customer experiences** through strategic fusion of technology and business

Agile business development culture inside "established" corporate structures

'Plan-B' to become a full-time **street musician**



Twitter

@JULIUSMANNI



FINNISH PERSONAL INSURANCES HEAVILY BASED ON PAY-FOR-CARE

	FINLAND	SWEDEN	NORWAY
<u>LUMP SUM</u>	10 %	90 %	90 %
<u>PAY FOR CARE</u>	90 %	10 %	10 %



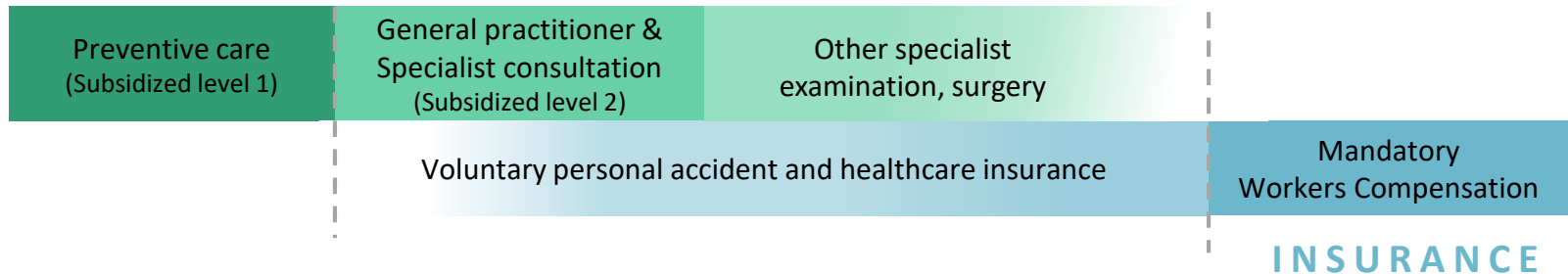
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WHAT IS SPECIAL ABOUT FINNISH HEALTHCARE FROM NORDIC PERSPECTIVE?

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Strong role of government-backed occupational healthcare (OHC)

OCCUPATIONAL HEALTH



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History →

PUBLIC HEALTHCARE FOUNDATION...

- World-class in efficiency and efficacy
- Excess demand handled with queues both for public GP access and specialist care
- Mandatory social insurance (KELA) for corporations pays part of voluntary Occupational Healthcare costs (*tax-free employee benefit*)

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... CREATED PRIVATE MARKET OPPORTUNITIES ...

- Private clinics able to provide fast access to specialists and GPs
- Companies looking for solutions to decrease the amount of sick-leaves
- Both labor unions and industry supporting the subsidized Occupational Healthcare model

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... RESULTING IN UNIQUE MARKET SET-UP

- Strong private healthcare providers developed wide subsidized OHC contracts to large extent replace public primary care
- Providers of OHC “own” the corporate customer; insurers focused on fast claims process
- Much faster access created also a rationale to buy personal insurances privately (*especially for children*)

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UNWANTED CONSEQUENCE:

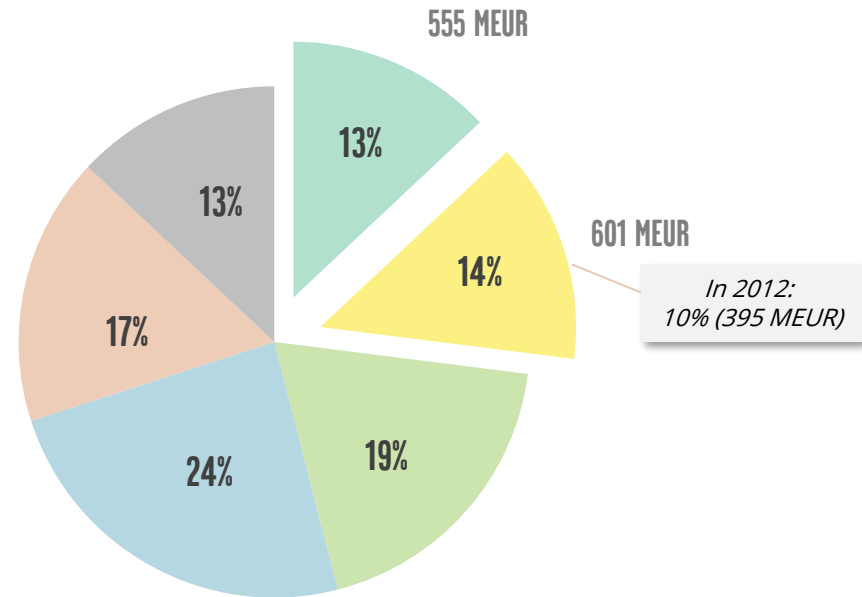
Steep inequality of primary care availability for citizens outside OHC or private personal insurances

VOLUNTARY HEALTH AND ACCIDENT INSURANCE GROWTH FAR OUTPACES MARKET

Voluntary Personal Insurance market has grown by 52% since 2012

FINNISH P&C INSURANCE MARKET 2017:

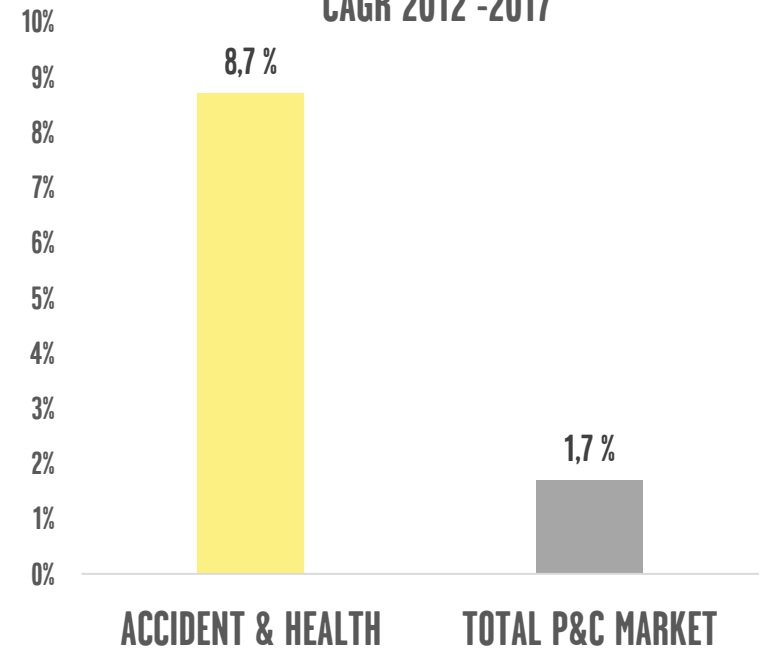
4 254 MEUR



- WORKERS' COMPENSATION
- VEHICLE INSURANCE
- MTPL
- ACCIDENT AND HEALTH
- PROPERTY
- OTHER

MARKET GROWTH:

CAGR 2012 -2017



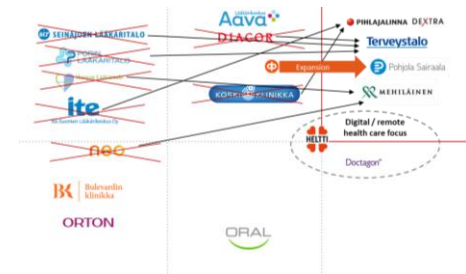
During the same time, private Occupational Healthcare market has grown over 75% (~400 MEUR → 700 MEUR)



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IN FINLAND, THE HEALTH CARE MARKET IS NOW TRANSFORMING FAST

- Finnish Social and Healthcare reform (SOTE)
 - ...will open up a new private healthcare opportunity of 2-4 billion euros in primary healthcare alone
- Gearing up for the change, the private healthcare industry is consolidating
 - ...and extending its interests in participating in insurance solutions.
- Private healthcare brands have an exceptionally strong position in Finland
 - ...private healthcare already has a substantial share of primary care delivery
- Mutual insurers OP, LähiTapiola and Fennia vertically integrating in healthcare services
 - ...through organic growth and acquisitions
- If is promoting freedom of choice and tries to fuel free market competition
 - ...focusing on partnerships instead of acquisitions



OCCUPATIONAL HEALTHCARE

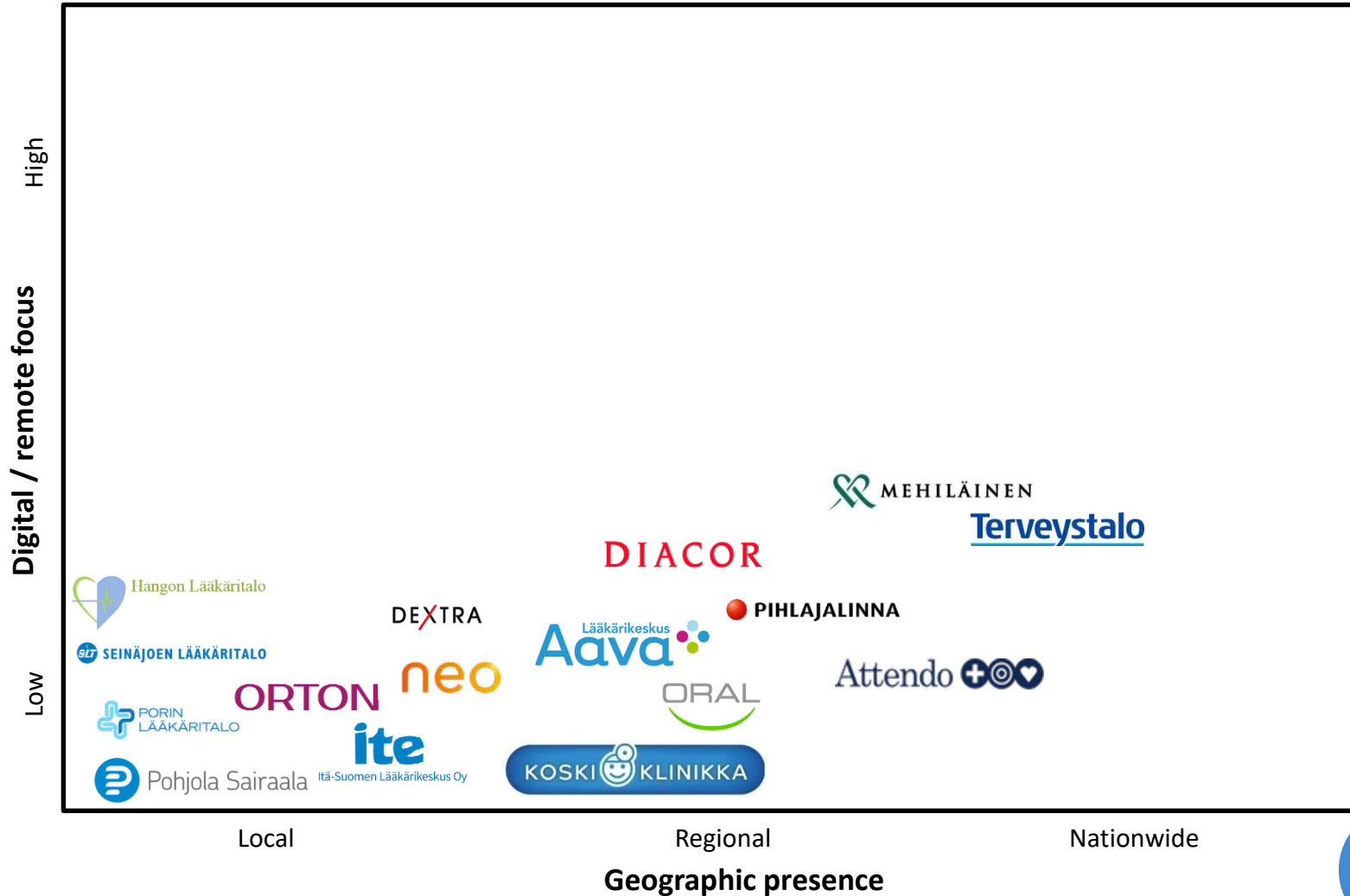


CHILD CARE



CONSOLIDATION DEVELOPMENT: PRIVATE HEALTHCARE MARKET IN 2013

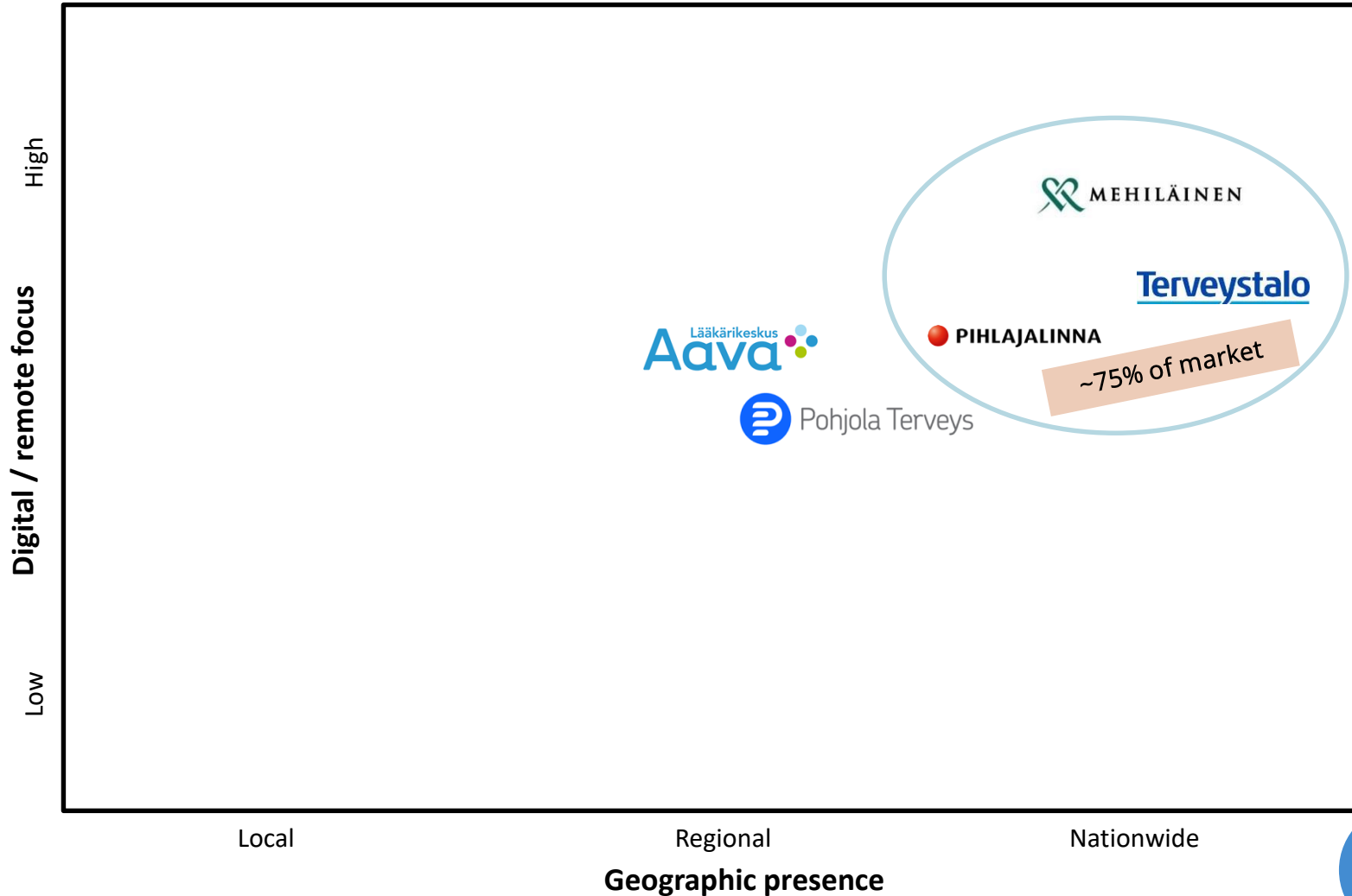
Few major players and a wide range of alternative providers



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CONSOLIDATION DEVELOPMENT: PRIVATE HEALTHCARE MARKET IN 2018

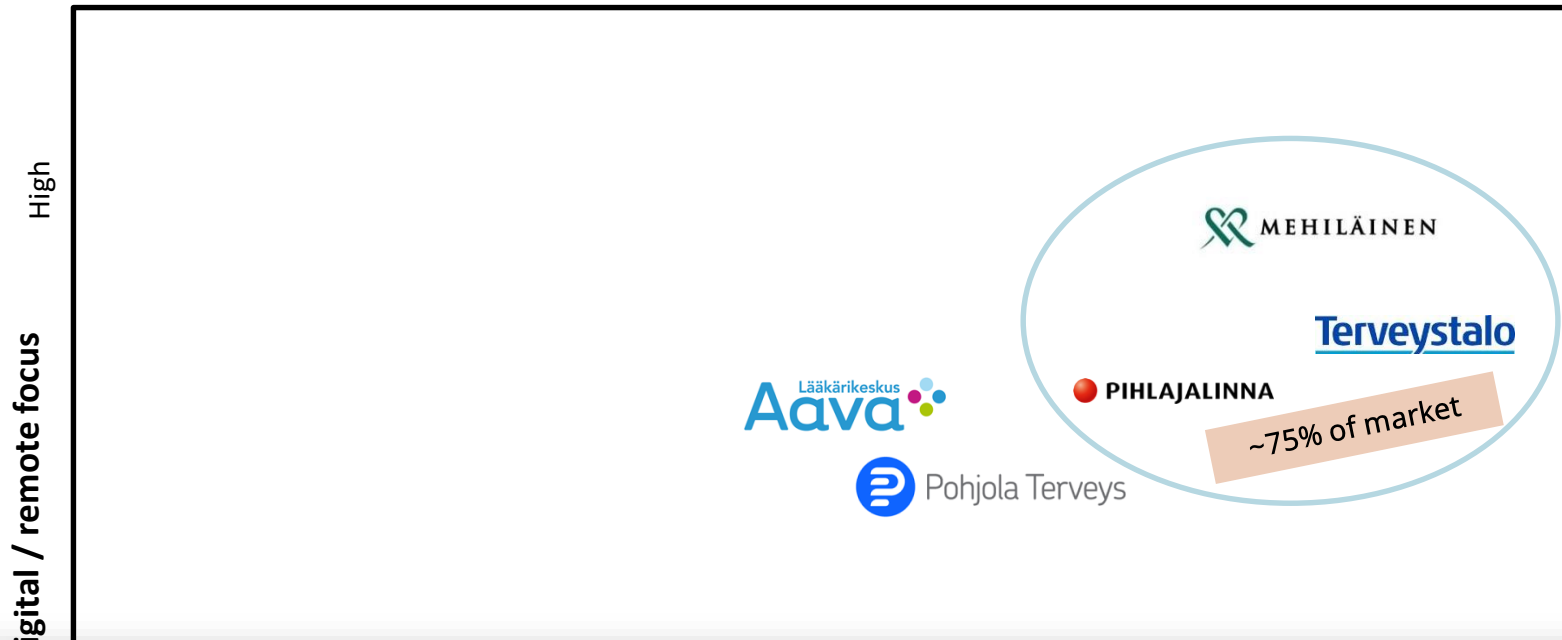
Three main players with few challengers remaining...















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CONSOLIDATION DEVELOPMENT: PRIVATE HEALTHCARE MARKET IN 2018

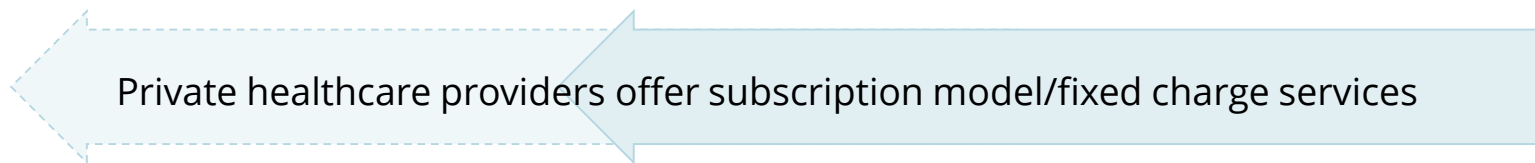
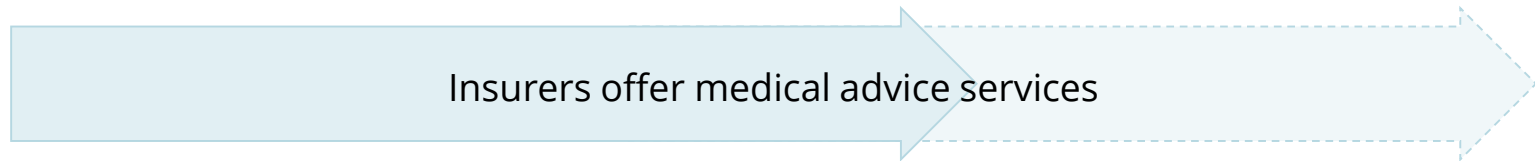
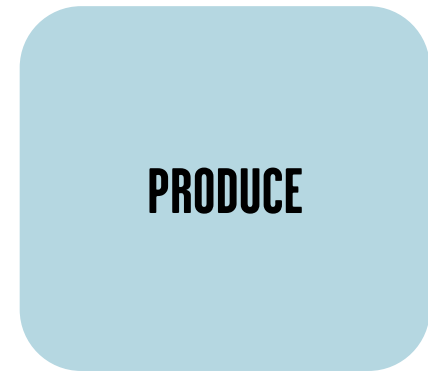
Three main players with few challengers remaining...



					
TURNOVER	~ 924 MEUR	~ 756 MEUR	~ 424 MEUR	~ 55 MEUR	~ 45 MEUR
OWNERSHIP	Stock listed	Venture-capital led • LähiTapiola 20%	Stock listed • LähiTapiola 24 % • Fennia 5 %	Part of OP Group • OP 100 %	Family business
	 	 	 		

HEALTH CARE VALUE CHAIN UNDER INCREASING INTEGRATION

Insurers and producers move into organizing, producers into financing



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IF HEALTH SERVICE ORGANIZING ROLE IN FINLAND IS DEVELOPING FAST

FOR EMPLOYEES



IF ORGANISES ALL THE CARE FOR YOU

In TRIO you get all the services related to your employees' health from one and the same place



FOR PRIVATELY INSURED

IF HEALTH SERVICE

EASY PRE-DIAGNOSIS
Easy access (24/7) and advice from If Health Service.

Web
Phone

 **LUONA**
Klinik.fi

DOCTOR SERVICES

CUSTOMER DECIDES

Health care partners incl. **remotedoctor** services

 **MEHILÄINEN**
Terveystalo

CLAIMS SERVICE

INSTANT COMPENSATION

Claim report
My Pages
SOS-service

 **MEHILÄINEN**
Terveystalo

BOTTOM-LINE EXPECTATIONS GOING FORWARD

Regardless of Finnish healthcare reform outcome

PRIVATE HEALTHCARE:

Stays concentrated
+
New niche players

MORE ROLE BUNDLING:

/ Financing \
| Organising |
\ Producing /

DIGITAL BREAKTHROUGH:

Telemedicine &
new services

CONTINUED HEALTH INSURANCE GROWTH



THANK YOU



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