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SulAmérica App-Based Insurance

Transforms Brazilian Healthcare Market.



Brazil has been a relatively hard-hit by Covid-19, when compared to many other fast-growing economies.

Insurers there have been transforming the healthcare market with a more holistic approach for some time. SulAmerica offers these insights;


SulAmérica


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The insurance industry is going through a major transformation.

Consumers are increasingly demanding a seamless and fast experience and a growth in insurtechs is putting pressure on industry incumbents to up their game, digitalise processes and exceed customer expectations. Crucial to this is the use of Application Programming Interfaces (APIs); tools that enable products, services and systems to easily integrate with a network of partners, sharing data securely and efficiently across different applications.

One company leading the way in the use of API technology is Brazil's biggest non-bank owned insurer, SulAmérica Seguros. Supported by global API specialist Sensedia, it expanded its telemedicine service and other digital channels during the pandemic, using APIs to connect with start-ups, healthtechs, fintechs and banks. Partners include: Caixa Economica Federal, Santander, Citibank, Banrisul, Banco da Amazônia, Banco Regional de Brasília, HSBC and Tribanco.



With more than 7 million customers, SulAmérica Seguros is Brazil's second largest insurance company and a great example of what can be achieved when an insurer puts technology at the heart of its business.

The transformation.

In 1990 Brazil rolled out its publicly-funded healthcare system, Sistema Unico de Saude(SUS). A subsequent 20-year cap on health service spending prompted Brazilians to prioritise the purchase of private health insurance, behind education and home ownership. Aware it could do more to support the private health insurance market, SulAmérica Seguros decided to adopt a more holistic approach to health insurance provision. In 2015 it joined forces with US healthcare provider Healthways to promote wellbeing, providing wellness coaching support and monitoring programmes for customers with chronic diseases and complex conditions.

In 2018, SulAmerica Seguros launched a telemedicine service (although regulation prevented video consultations from taking place) and in 2019, a new regional health plan, SulAmérica Direto, enabling brokers to sell low-cost corporate plans in low take-up areas.

By March 2019, nearly a fifth of the population – some 47 million people – had private health plans, and around 70% of these were via corporate health insurance.

Keen to pour additional resources into this sector, in 2020 SulAmérica Seguros sold its motor and property & casualty business and acquired Paraná Clínicas; a corporate healthcare specialist with six centres and 90,000 clients in southern Brazil.

Next came the adoption and upgrade of digital health tools for customers, physicians and therapists; crucial as Covid-19 was beginning to take hold.

Its app allows policyholders to book virtual appointments with GPs, specialists and therapists (including psychologists and nutritionists), request examinations and access/order prescriptions via devices, in a safe, distanced-environment.

When rules relaxed around video consultations, SulAmérica Seguros' existing telemedicine platform enabled it to easily run an 'on-screen physician' service. In February 2020 there were 500 virtual consultations, by April this spiralled to 15,000 and by June they'd reached 60,000.

Demonstrating the agility APIs bring, the business was quick to launch an online Covid-19 screening service, which by May had been accessed by over 280,000 users. Between March and November last year, nearly 400,000 digital consultations were held, providing Covid assistance, ensuring the continuation of elective and non-Covid emergency treatment and maintaining ongoing care provision; areas other countries struggled to support.

During the company's Q3 results last year, ceo Gabriel Portella said health management and its coordinated care programme were the pillars of its operation, emphasising the importance of using advanced technology to track customers' journeys. Next step will be a similar 'financial doctor'

service for its life and pensions' customers and more tech innovation, utilising the Internet of Things.

The ex-SulAmerica Seguros enterprise architect manager, Cristiano Bezerra, comments:

“We already have transactional data and client interaction through our co-ordinated care programme, but if we can find out more about clients’ lifestyles, we can influence behaviour to improve health and wellbeing. We need to continue to surprise and add value, have smarter digital interactions via wearables and home assisted devices and enrich the process with AI and machine learning. There are great opportunities for the whole of the financial services sector, but connecting these IoT devices requires mature technology models to support traffic and maintain data privacy.”

Unlocking data potential.

The transition, from health insurer to technology leader, could not take place without APIs and Microservices (a framework connecting separate software elements).

Cristiano continues: “APIs unlock the true potential of the value chain, sharing business intelligence with new channels and interfaces. While insurers, during their digital journeys connect with brokers, banks and regulators, we take this further and increase our exposure by linking with start-ups, healthtechs and fintechs.



“APIs are a vital tool in an ever-changing digital world and companies must ensure their business models reflect the importance of API exposure. The health sector for example, fails to use APIs to share data; doctors, healthcare management firms and insurers hold information in silos, hindering service improvements and wellbeing provision. APIs facilitate automated services, such as chatbots and Interactive Voice Response (IVR) systems, speeding up response times and enhancing the customer experience. They can also be used to set parameters for automatic claims approval and identify attempted fraud.”

With global regulatory/privacy requirements demanding data security, Cristiano believes transparency is key: “It’s important to explain to customers what data is being asked for and at each stage, request their permission to use it.”

SulAmérica Seguros has a web app that allows customers to see how and where their data is being shared and if they’re not comfortable with this, they can ask for it to be deleted. “Portals that use partners’ APIs as well as their own, must have an API governance strategy with additional layers of obfuscation and encryption working across all databases. APIs support this,” Cristiano concludes.

Looking forward, Cristiano's priority is to ensure the firm's existing systems are able to manage and distribute higher volumes of more granulised data: "The experiences we deliver must be fast and seamless; if clients using our apps click on a tab that takes longer than seconds to respond, they may be tempted to go elsewhere – perhaps to a tech company, rather than an insurer, whose customer service is better."

While in-house satisfaction surveys show over 90% of customers rank SulAmérica Seguros highly for its customer service and more than 70% of respondents say their plans exceed expectations, the company is not complacent; disruptors are circling.

Google recently appointed an MD for insurance, taking the lead in north America, and in its 2018 report:

"The impact of alternative providers in insurance", data and analytics company Global Data, found 30% of UK consumers said they would switch their insurance to Google, Amazon, Facebook or Apple. This suggests an opening potential of around £9bn in UK gross written premium, highlighting the vulnerability of the UK insurance market.

Sensedia's perspective.

Sensedia supports multiple industries including retail, pharma, health insurance and banking, helping clients develop and implement online solutions so they can compete and thrive in an 'open finance' environment, no matter where they are in their digital journeys.

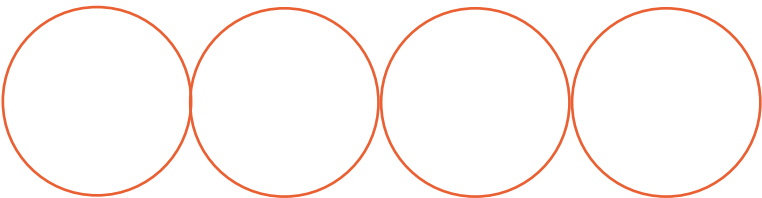
Stephen Walsh, (pictured) EMEA director, comments: "APIs are not just for innovation, they support business sustainability, enabling companies to set up partner ecosystems with for example, insurtechs. Once an ecosystem is in place, it's easy to tailor products and services to particular customer profiles.

"Key to this is identifying what type of partner integration you require, setting up the partnership and designing a strategy to facilitate growth. Is the partner ecosystem top priority, do you want to digitalise channels or invest in smart devices for every customer? Whatever the priority, it must

hinge upon a robust API plan. It's also important to have in place clear access levels for every partner. This control mechanism prevents data leakage and unnecessary API exposure."

He continues: "Digitalisation gives customers a richer, more intuitive experience, for example, they can contact their insurer 24/7 in the event of a claim, something a customer involved in an accident will want to do immediately. APIs enable companies to automate their services using chatbots and IVR tech; self-service tools that enhance the experience. And while they cannot replace human interaction in some situations, it can accelerate the process and reduce costs.

"APIs also ensure businesses follow data protection laws when managing and trafficking data. In an insurance context, the volume of data to be stored, processed and transferred can be huge – APIs unify

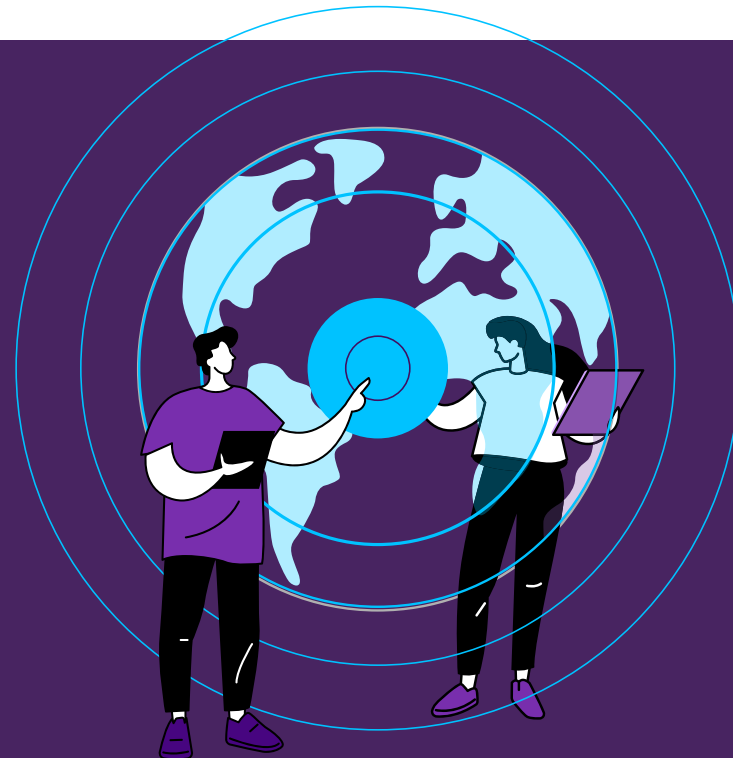


databases, build layers of obfuscation and encryption, simplify data governance and identify vulnerabilities.”

Stephen concludes “Through its use of APIs, SulAmérica Seguros has taken health insurance and wellbeing provision to a new level and this is before the company reaches its full technology potential.

Tech firms entering the insurance sector should be viewed as a benefit as well as a challenge, as there is much the industry can learn from them.”

Sensedia has offices in the UK, Brazil and Peru and is recognised by its peers as ‘visionary’ and a ‘strong performer’.



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