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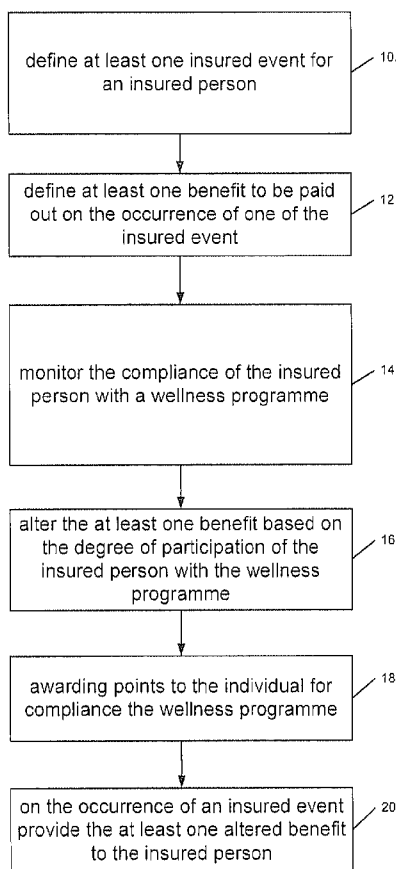
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(54) Title: A SYSTEM AND METHOD OF MANAGING AN INSURANCE SCHEME

Fig. 1



(57) Abstract: A system for managing an insurance scheme, the system including a benefit module to define at least one insured event for an insured person and to define at least one benefit to be paid out on the occurrence of one of the insured events. A monitoring module monitors the compliance of the insured person with a wellness programme. A calculation module alters the at least one benefit based on the degree of participation of the insured person with the wellness programme and an awards module, on the occurrence of the at least one insured event, provides the at least one altered benefit to the insured person.

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A SYSTEM AND METHOD OF MANAGING AN INSURANCE SCHEME

BACKGROUND OF THE INVENTION

The present application relates to a system and method of managing an insurance scheme.

The present invention may be implemented by a traditional life insurance plan operator for its members or may be implemented by another party.

Conventionally, insurance policies such as life insurance policies operate on the basis that an insured person, sometimes referred to as an insured life, pays a premium to the life insurer, and the life insurer pays a predetermined sum, referred to as the sum assured, to the insured life or his/her beneficiary on the occurrence of an insured event. Typical insured events are the insured life suffering disability, contracting a dread disease or dying.

It is clearly in both the insurer and insured parties' best interests that an insured event does not occur. One way of reducing the risk is for the insured person to look after their wellness.

However, the insured party needs some motivation to look after their wellness despite the risks associated with not doing so.

The present invention provides a system and method of addressing this.

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SUMMARY OF THE INVENTION

According to one example embodiment, a system for managing an insurance scheme includes:

a benefit module to define at least one insured event for an insured person and to define at least one benefit to be paid out on the occurrence of one of the insured events;

a monitoring module to monitor the compliance of the insured person with a wellness programme;

a calculation module to alter the at least one benefit based on the degree of participation of the insured person with the wellness programme; and

an awards module to, on the occurrence of the at least one insured event, provide the at least one altered benefit to the insured person.

The monitoring module may monitor the compliance of the insured person with the wellness programme by receiving insured person usage information associated with the insured person's usage of the wellness programme.

The usage information received typically includes information associated with a plurality of separate and distinct occurrences of wellness programme participation by the insured person.

In one example, the monitoring module determines, based on the usage information, a points value or a status level associated with the insured person for the wellness programme, wherein the points value or the status level indicates a degree of participation in the wellness programme and wherein the calculation module uses the points value or status level to calculate the percentage amount and the calculation module then alters the

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at least one benefit by a percentage wherein the amount of the percentage is related to the degree of participation of the insured person with the wellness programme.

In one example, the monitoring module monitors the compliance of the insured person with the wellness programme by:

receiving insured person participation information associated with the insured person's participation in the wellness program; and

determining, based on the participation information, a status level associated with the insured person for the wellness program, wherein the status level indicates a degree of participation in the wellness program.

In this example, the calculation module alters the at least one benefit based on the status level.

According to another example embodiment, apparatus for managing an insurance scheme includes:

means for defining at least one insured event for an insured person and for defining at least one benefit to be paid out on the occurrence of one of the insured events;

means for monitoring the compliance of the insured person with a wellness programme;

means for altering the at least one benefit based on the degree of participation of the insured person with the wellness programme; and

means for, on the occurrence of the at least one insured event, provide the at least one altered benefit to the insured person.

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According to another example embodiment, a method of managing an insurance scheme includes:

defining at least one insured event for an insured person;

defining at least one benefit to be paid out on the occurrence of the at least one insured event;

altering the at least one benefit based on the degree of participation of the insured person with a wellness programme; and

on the occurrence of the at least one insured event providing the altered at least one benefit to the insured person.

The at least one benefit may be altered by a percentage wherein the amount of the percentage is related to the degree of participation of the insured person with the wellness programme.

The method may also include the monitoring of the compliance of the insured person with the wellness programme.

In one example, the monitoring of the compliance of the insured person with the wellness programme includes:

receiving insured person participation information associated with the insured person's participation in the wellness program;

determining, based on the participation information, a status level associated with the insured person for the wellness program, wherein the status level indicates a degree of participation in the wellness program; and

altering the at least one benefit based on the status level.

The participation information received may include information associated with a plurality of separate and distinct occurrences of wellness program participation by the insured person.

BRIEF DESCRIPTION OF THE DRAWINGS

Figure 1 is a flow chart illustrating the methodology of an example embodiment; and

Figure 2 is a block diagram illustrating an example system to implement the methodologies described herein.

DESCRIPTION OF EMBODIMENTS

The systems and methodology described herein relate to a system and method of managing an insurance scheme such as a life insurance scheme to name one example.

Conventional life insurance schemes operate on the basis that an insured person, referred to as the insured life, pays premiums on a regular basis to the life insurer, specifying a sum assured which is an amount to be paid out on the occurrence of an insured event. For example, on the death of the insured life, a predetermined death benefit is paid to the nominated beneficiaries of the insured life. If the insured life is disabled or suffers a dread disease the same or a different amount is paid out.

The method and system will be described with reference to these kinds of schemes but it will be appreciated that the method and system could equally be applied to other types of insurance schemes.

It will also be appreciated that the system and methodology may be implemented by any relevant person or organisation. For example, the system and methodology may be operated by the organisation which

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operates the life insurance scheme or may be implemented by another associated organisation. In one example the system and methodology may be implemented by a financial organisation which issues credit cards to its members.

For purposes of illustration only, the system and methodology will be described herein as being operated by the managers of a life insurance scheme.

Referring to Figure 1, at least one insured event is defined (block 10). Typically a plurality of insured events are defined, the plurality of insured events in the example include disability, contracting a dread disease or dying as these are typical of the kind of events which are insured by life insurance schemes. However, it will be appreciated that in other contexts these insured events may be other events such as the birth of a child or changing jobs to name but a few examples.

In any event, the occurrence of an insured event for an insured person of the scheme results in at least one benefit being paid out to the insured person.

The at least one benefit could be any kind of benefit. For example the at least one benefit could be a single lump sum cash payout, the commencement of a periodic cash payout, the at least partial subsidising of expenses in the category of living expenses or the subsidising of health insurance plan premiums to name but a few examples.

In addition, the at least one benefit could be the combination of more than one of the above example benefits.

The at least one benefit will be paid out to the insured person or a nominated beneficiary of the insured person. Typically the benefit is arranged for the insured person but where the insured person has died or is

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otherwise incapacitated the benefit will be activated for a beneficiary that the insured person has nominated prior to the event.

In the next step (block 14), the compliance of the insured person with a wellness programme is monitored.

An example of such a wellness program is presently managed by the applicant that manages a traditional life and health insurance plan together with their wellness program disclosed in the applicant's South African granted patent number ZA 99/1746, the contents of which are incorporated herein by reference.

In an example wellness program, members participate in approved related facilities and/or services. For example, members use gymnasiums, Smoke Enders™ and Weighless™.

In one example, members are awarded points and depending on the total number of points allocated to a member, they fall within one of five statuses. In the implementation of the wellness program, these statuses have been named in ascending order of value, blue, bronze, silver, gold and diamond. All members are placed initially in the blue status. Once a member has accumulated a predetermined number of points, his/her status is upgraded to the next appropriate level.

It will be appreciated that for purposes of the present invention the wellness programme could be operated by the insurer or could be operated by a third party that operates the wellness programme and then informs the insurer of the degree of participation of the insured person with the wellness programme.

This could occur by a third party transmitting data to at least one server 22 (Figure 2) operated by the insurer. The data is received at the at least one server 22 and stored in a database 32 associated with the at least one server.

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In one example the data will include at least an identity of the insured person and data identifying the status of the insured person, for example blue, bronze, silver, gold and diamond.

In order to determine the status, a monitoring of the compliance of the insured person with the wellness programme includes receiving insured person usage information associated with the insured person's usage of the wellness program and determining, based on the usage information, a status level associated with the insured person for the wellness program, wherein the status level indicates a degree of participation in the wellness program

The usage information received may include information associated with a plurality of separate and distinct occurrences of wellness program participation by the insured person.

In addition, the method may further include determining a status level associated with the insured person that further includes receiving the usage information from an information processing system and assigning a given point value to each separate and distinct occurrence of wellness program participation.

A total point value is determined based on an accumulation of each given point value assigned to each separate and distinct occurrence of wellness program participation

The total point value is then compared to a plurality of point ranges, each point range in the plurality of point ranges being associated with a status level and identifying a point range in the plurality of point ranges corresponding to the total point value.

Finally, a status level is assigned that is associated with the point range that has been identified to the at least one employee.

Based on the degree of participation of the insured person with the wellness programme the at least one benefit is altered (block 16).

In one example the at least one benefit may be altered by a percentage wherein the amount of the percentage is related to the degree of participation of the insured person with the wellness programme.

In another example embodiment, the at least one benefit may be altered by a formula calculated as set out below. For purposes of illustration the at least one benefit will be described as an amount of money referred to as a life fund.

Formula 1: Annual Adjustment = life fund (prior to ABI for that anniversary) x Integrated Cover % x Vitality Adjustment %

ABI is the automatic benefit increase that typically occurs annually based on the policy terms and conditions.

Integrator Cover % refers to the additional cover or sum assured expressed as a percentage of the main sum assured. I.e. Additional Benefit Integration Cover / Life Fund.

Where the Vitality Adjustment is the wellness programme adjustment and is determined by the following table:

Vitality Status	Blue	Bronze	Silver	Gold	Diamond
Vitality Adjustment	3.75%	2.75%	1.50%	0.00%	-0.75%

Because of the use of the above percentages in the formulae below, the negative percentage will increase the total cover while the positive percentages will decrease the total cover.

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Formula 2: Integrated Cover after anniversary = (Integrated Cover (prior to anniversary) – Annual Adjustment) x (1+ ABI)

An example of applying formula 1 and 2 above is as follows for a set of facts as follows:

Entry Age (next):	= 41
Life Fund	= R1 000 000
Extra integrated cover being 20% of Life Fund (prior to anniversary)	= R200 000
Benefit escalation rate (ABI)	= 10%
Vitality status at 90 days	= Bronze

Applying formula 1 results in:

Annual Adjustment (anniversary 1) = R5,500 (R1000 000 x 20% x 2.75%)

Integrated Cover (after 1st anniversary) = (R200 000 – R5, 500) x (1 + 10%) = R213 950

Life Fund (after 1st anniversary) = R1100 000

Annual Adjustment (anniversary 2) = R6,050 (R1100 000 x 20% x 2.75%)

Integrated Cover (after anniversary 2) = R228,690 (= (R213 950 – R6,050) x (1 + 10%))

In one example embodiment certain maximum and minimum increases may apply.

On the occurrence of an insured event the at least one altered benefit is proved to the insured person.

It will be appreciated that whatever method is used to alter the at least one benefit this will result in a larger benefit for the insured person on occurrence of an insured event. However, often with insurance type plans,

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if an insured event does not occur the insured person will receive no benefit.

In order to enhance the motivational factor of the method described above, the altered benefit could be provided to the insured person at a predetermined age and in any one of a number of predetermined manners without the occurrence of an insured event.

In one example, the extra benefit accrued to the insured person as a result of their complying with the wellness programme is used to determine an additional benefit provided to the insured person at the predetermined age. This will typically only be provided if no insured events have occurred or if less than a limited predetermined number of insured have occurred.

In an example embodiment the predetermined age may be 65 which is a typical retirement age.

Thus, where the extra benefit accrued is a percentage over and above a baseline insured amount, this extra percentage will be provided to the insured person. Alternatively, the extra benefit accrued may be quantified in some manner and depending on the quantity, a different amount may be provided to the insured person as an additional benefit.

The additional benefit could be one or more of:

- an amount to be used for health insurance plan funding;
- an amount to be used for retirement funding;
- retain the extra benefit for any future insured event; and
- a combination of the above.

To illustrate the example of using the amount for health insurance plan funding, the following table could be used to calculate the health insurance plan funding:

	% Remaining Cover			
	20% - 30%	31% - 50%	51% - 75%	76% +
Health Discount	15%	20%	25%	35%

The above table typically applies where the insurer also provides health insurance or is associated with another entity that provides health insurance which is why the amount is reflected as a health discount. If this were not the case the amount would more likely be used to subsidize payments to a health insurer.

It will be appreciated though that the bands of extra or remaining cover is converted into a percentage to be used for the health discount which percentage will be a percentage discount on the amount being paid for health insurance, for example.

In addition to the above, the method may include altering the at least one benefit based on the amount of claims that the insured person makes to their health insurance plan. In this example, the lower the amount of claims the higher the benefit will be.

For example, the total amount of claims could be arranged into ranges wherein a percentage is associated with each of the ranges, the percentage being a percentage to be used to alter the benefit.

In addition, the insured person can be motivated to take health assessments at regular intervals and if they do comply this is also used to alter the benefit.

It should be noted that the adjustment to the benefit is calculated prior to a claim and not related to a specific claim. Only the engagement in the wellness program influences the benefit adjustment and not a specific claim.

Finally, where the insured person has a credit card issued by the insurer or an associated company, the spend on the credit card can be used to alter the benefit

Figure 2 illustrates an exemplary system for implementing the above methodologies.

A server 22 includes a number of modules to implement the methodologies described above.

A benefit module 24 defines a plurality of insured events for an insured person and defines at least one benefit to be paid out on the occurrence of one of the insured events.

The module 24 is constructed to define the plurality of insured events which in one embodiment includes disability, contracting a dread disease or dying as these are typical of the kind of events which are insured by life insurance schemes. However, it will be appreciated that in other contexts these life changing events may be other events.

Once the benefit module 24 defines the plurality of life changing events, the module 24 accesses a memory and stores the defined plurality of categories of expenses in the memory.

In one example embodiment, the memory could take the form of the database 32. In other embodiments the memory could be located on the server 20 or on another server not illustrated in this example system. In either case, the memory is in data communication with the module 24 and accessible by the module 24 which is able to read and write data to the memory.

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A monitoring module 26 is specifically constructed to define a wellness programme and monitor the compliance of the wellness programme by the insured person.

The monitoring of the compliance of the insured person with the wellness programme includes receiving by the monitoring module 26, insured person usage information associated with the insured person's usage of the wellness programme.

The usage information received may include information associated with a plurality of separate and distinct occurrences of wellness programme participation by the insured person.

The monitoring module 26 determines, based on the usage information, a points value or a status level associated with the insured person for the wellness programme, wherein the points value or the status level indicates a degree of participation in the wellness programme

In addition, the monitoring module 26 may further be constructed to determine a status level associated with the insured person by receiving the usage information from an information processing system and assigning a given point value to each separate and distinct occurrence of wellness programme participation.

A total point value is determined by the monitoring module 26 based on an accumulation of each given point value assigned to each separate and distinct occurrence of wellness programme participation

The total point value is then compared to a plurality of point ranges by the monitoring module 26, each point range in the plurality of point ranges being associated with a status level and identifying a point range in the plurality of point ranges corresponding to the total point value.

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Finally, a status level is assigned by the monitoring module 26 that is associated with the point range that has been identified to the at least one employee.

The monitoring module 26 then writes the total points value or the status level to a memory, for example the database 32.

In either case the calculation module 26 accesses the memory and retrieves the stored total points value or status level.

The calculation module 28 is constructed to alter the at least one benefit based on the degree of participation of the insured person with the wellness programme as has been described above.

An awards module 30, on the occurrence of an insured event, provides the at least one altered benefit to the insured person.

In one example, the awards module 30 is connected via a communications network, for example communications network 34, to a financial institution which it instructs to pay out a cash amount to the insured person or their nominated beneficiaries.

The system includes at least one associated database 32 for storing data to be used by one or more of the above referenced modules.

In addition, the server is typically connected to a communications network 34 for communications with other computers to implement the methodologies described above.

The modules described above may be implemented by a machine-readable medium embodying instructions which, when executed by a machine, cause the machine to perform any of the methods described above.

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It will be appreciated that embodiments of the present invention are not limited to such architecture, and could equally well find application in a distributed, or peer-to-peer, architecture system. Thus the modules illustrated could be located on one or more servers operated by one or more institutions.

In another example embodiment the modules may be implemented using firmware programmed specifically to execute the method described herein.

It will also be appreciated that in any of these cases the modules form a physical apparatus with physical modules specifically for executing the steps of the method described herein.

CLAIMS

1. A system for managing an insurance scheme, the system including:
 - a benefit module to define at least one insured event for an insured person and to define at least one benefit to be paid out on the occurrence of one of the insured events;
 - a monitoring module to monitor the compliance of the insured person with a wellness programme;
 - a calculation module to alter the at least one benefit based on the degree of participation of the insured person with the wellness programme; and
 - an awards module to, on the occurrence of the at least one insured event, provide the at least one altered benefit to the insured person.
2. A system according to claim 1 wherein the monitoring module monitors the compliance of the insured person with the wellness programme by receiving insured person usage information associated with the insured person's usage of the wellness programme.
3. A system according to claim 2 wherein the usage information received includes information associated with a plurality of separate and distinct occurrences of wellness programme participation by the insured person.
4. A system according to claim 2 or claim 3 wherein the monitoring module determines, based on the usage information, a points value or a status level associated with the insured person for the wellness programme, wherein the points value or the status level indicates a

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degree of participation in the wellness programme and wherein the calculation module uses the points value or status level to calculate the percentage amount.

5. A system according to claim 4 wherein the calculation module alters the at least one benefit by a percentage wherein the amount of the percentage is related to the degree of participation of the insured person with the wellness programme.
6. A system according to any preceding claim wherein the monitoring module monitors the compliance of the insured person with the wellness programme by:

receiving insured person participation information associated with the insured person's participation in the wellness program; and

determining, based on the participation information, a status level associated with the insured person for the wellness program, wherein the status level indicates a degree of participation in the wellness program.

7. A system according to claim 6 wherein the calculation module alters the at least one benefit based on the status level.
8. Apparatus for managing an insurance scheme, the apparatus including:

means for defining at least one insured event for an insured person and for defining at least one benefit to be paid out on the occurrence of one of the insured events;

means for monitoring the compliance of the insured person with a wellness programme;

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means for altering the at least one benefit based on the degree of participation of the insured person with the wellness programme; and

means for, on the occurrence of the at least one insured event, provide the at least one altered benefit to the insured person.

9. A method of managing an insurance scheme, the method including:

defining at least one insured event for an insured person;

defining at least one benefit to be paid out on the occurrence of the at least one insured event;

altering the at least one benefit based on the degree of participation of the insured person with a wellness programme; and

on the occurrence of the at least one insured event providing the altered at least one benefit to the insured person.

10. A method according to claim 9 wherein the at least one benefit is altered by a percentage wherein the amount of the percentage is related to the degree of participation of the insured person with the wellness programme.

11. A method according to claim 9 or claim 10 wherein the method includes the monitoring of the compliance of the insured person with the wellness programme.

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12. A method according to claim 11 wherein the monitoring of the compliance of the insured person with the wellness programme includes:

receiving insured person participation information associated with the insured person's participation in the wellness program;

determining, based on the participation information, a status level associated with the insured person for the wellness program, wherein the status level indicates a degree of participation in the wellness program; and

altering the at least one benefit based on the status level.

13. A method according to claim 12 wherein the participation information received includes information associated with a plurality of separate and distinct occurrences of wellness program participation by the insured person.

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Fig. 1

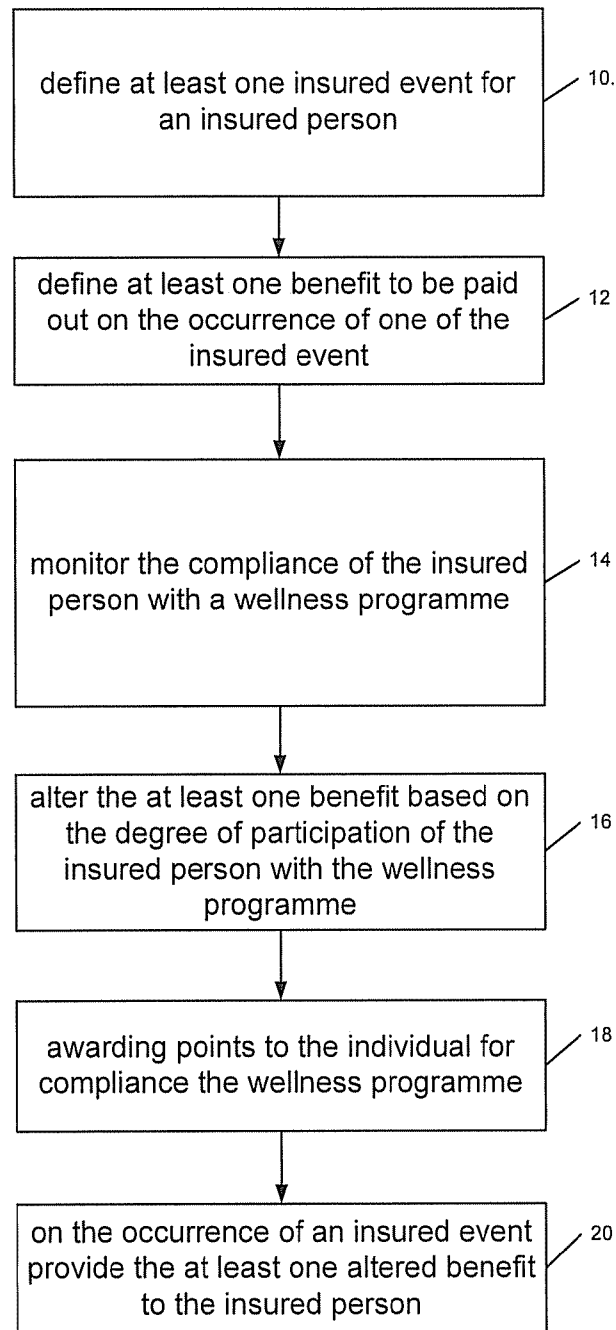


Fig. 2

