

● **MetLife** and **AXA** in partnership

Growing business through reform in Egypt

Making progress against
persistent challenges

7 September, 2017



Meet your host



Andrew Stocker

Head of Business Development, MAXIS GBN

Andrew Stocker currently holds a position as Head of Distribution for the MAXIS Global Benefits Network (MAXIS GBN), which provides global benefit solutions to over 750 multinational clients around the world. There, he is responsible for leading the distribution of the multinational solutions, including the account executive and account management teams globally. His focus is on expanding and deepening relationship with multinational employers and their intermediaries.

Prior to his current role, Andrew has held positions in MetLife's Global Relationship Management, and as a Regional Sales Director for MetLife's Employee Benefits business in the United States. Andrew was inducted into the MetLife Employee Benefits Hall of Fame in 2011.



MAXIS GBN: a leading employee benefits provider



MAXIS Global Benefits Network (MAXIS GBN)

Co-founded by MetLife and AXA in 1998, MAXIS GBN is one of the leading international employee benefits network providing global service capabilities and delivering world-class employee benefits perspectives and solutions.



EXPERIENCE

Puts multinational companies in control of their worldwide employee benefit programs.



SCALE

Aligns global and local priorities by offering innovative and streamlined solutions which can reduce costs and achieve economies of scale.



ADVANTAGE

Single point of contact and dynamic three-tier account management structure— global, regional and local.

1.5 million

MAXIS GBN covers 1.5 million employees worldwide through its member insurance companies

>140 members

Locally licensed 135 member insurance companies in over 110 markets around the world

750 programmes

More than 750 global programmes managed

Best in class

More than 50 members offer best in class local health and wellness capabilities

+180 pools

+30 captives

How to ask questions



● MetLife and AXA in partnership

Growing business through reform in Egypt

Making progress against persistent challenges

7 September, 2017

MAXIS
GLOBAL BENEFITS NETWORK

MetLife

GoToMeeting

Talking:

Audio | Screen | Webcam

Computer audio
Phone call

Toll-free: 1 866 899 4679
Long distance: +1 (646) 749-3117
Access Code: 509-304-877 #
Audio PIN: 28 #

United States

Attendees: 3 of 26 (max)

Chat

Enter your message

To: Everyone

Record this meeting

Meeting ID: 509-304-877

Meet our guest



Ayman Omar

Employee Benefits Sales Head, MetLife Egypt

Ayman Omar A.Aziz is the Employee Benefits Sales Head of MetLife in Egypt. He was appointed to this position in March 2017.

Prior to assuming his current position, Ayman was the “Corporate Solutions Sales Manager – Brokers & Multinational Accounts” in 2015

Group Administrator, Ayman joined Alico in 1997 and he was assigned the position of Group Customer Service Representative in December 1999. In June 2002 he joined the sales team as Group Account Executive and he assumed various leadership roles in sales till his current role.

He has a Bachelor’s degree of Business Administration from Sadat Academy for Management Sciences in 1996. He has also completed the FLMI of LOMA in 2002.

A trusted partner and champion for the Egyptian workforce



First multinational insurance company to be authorized by the Egyptian Financial Supervisory Authority (EFSA) to operate in Egypt



Serving more than **350,000 Insured**



Leading position in the Group Insurance Market



The biggest assets under management base under the corporate pension with assets under management of **\$107 Million (EGP 2 billion)**



Operating for **20 years** in Egypt



Known for **tailored market leading solutions** to meet the needs of individuals, families and businesses of all sizes



1850+ medical service providers in our network and **1700+** medical policies in force



106 providers with online approvals system



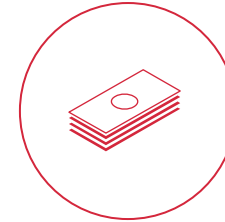
20 primary health physicians in different governorates and **24/7** customer service hotline

What happened in Egypt?



WHAT HAS HAPPENED?

- The Egyptian Pound started to float as a part of the **aggressive economic reforms** set by the International Monetary Fund before signing **\$ 12 billion Loan**
- **EGP lost 45%** of its value, reaching between 16.55 and 16 to the dollar in the first week
- **“value added”** bill passed which adds a **13% tax** on specialty and consultancy services, including doctor fees

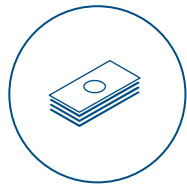


HOW DOES THIS AFFECT THE ECONOMY?

- General inflation is currently at **23.3%** for **December 2016 vs. 2015**.

Source: Central Agency for Public Mobilization and Statistics, 2016;

How do the recent changes affect medical cost?



MEDICAL COST CHANGES



Increased in cost of living at **25.6%** for December 2016 vs December 2015



Pharmaceuticals are no longer importing various brands due to these sharp increases (e.g. chronic drugs, insulin, cancer treatments, and anesthetics)

- Local and generic alternatives witnessed a price increase by **almost 50%**



Laboratory and radiology increase ranges from **40% - 50%**



Inpatient treatment:

- Consumables & supplies increased **30% - 50%**
- Room and board increased **30% - 40 %**
- Surgeon fees increased **25% - 30%**

Source: Central Agency for Public Mobilization and Statistics, 2016; Al Watan

Your speaker



Dr. Leena Johns, MD

Head of Health & Wellness, MAXIS GBN

Dr. Leena Johns currently holds a position of Head of Health and Wellness for MAXIS Global Benefit Network. There, she is responsible for being the subject matter expert on health data analytics, as well as work with clients/brokers to assess the medical portfolio and provide an in-depth claim analysis with appropriate recommendations. She is responsible for developing and implementing health and wellness strategies globally in conjunction with local operations.

Prior to her current role, Dr. Johns worked as an ER physician and has held the roles of Global Medical Director, Operations Manager and Medical Advisor for several insurance operations internationally. She is also a television presenter for a U.S. based Asian network presenting a show on health and current affairs and is a magazine columnist writing on health and wellness.

Data analytics: a distinct differentiator for MAXIS GBN



IMPROVED MEDICAL RISKS

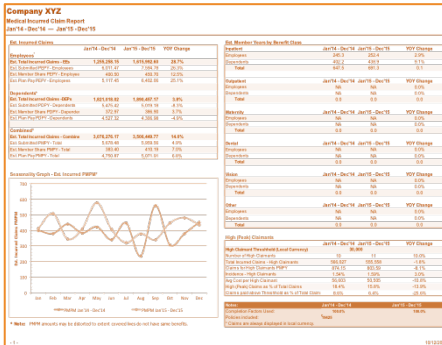
- Helps drive discussion on **benefit design changes**
- **Apples to apples** comparison of medical claims data across the globe irrespective of differences in **language and coding**
- Network reconfiguration
- Clear comparison of **benefits** across the globe for **MNC clients**
- Highlights how / which **benefit categories** are primarily used (and not used) and can differ between countries.
- Identifies **trend**, areas of greatest **financial changes**, **cost drivers** and **cost areas**



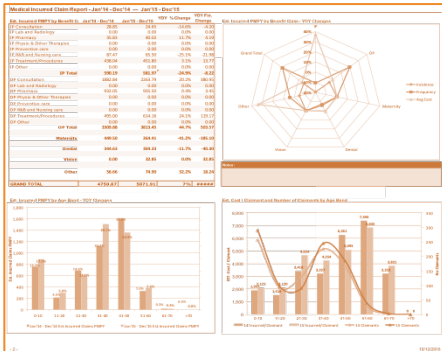
SUPPORT'S ORGANIZATION'S HEALTH & WELLNESS MANAGEMENT STRATEGY

- Identifies **cost drivers** and **targeted chronic conditions**, helping better target wellness programs with a higher chance of **“bending the trend”**
- Provides **data input** to better monitor the effectiveness of **wellness programs**, feeding into our ROI calculations.

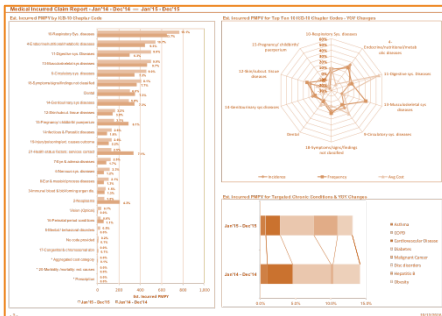
Our best-in-class global medical dashboards



Are available from **33 local insurer**



Are **sophisticated reporting tools** that help clients manage their employee benefits programs in the long term



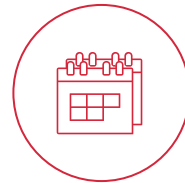
Include:

- A suite of **3 annual reports**: Paid Claims, Incurred Claims and Country Benchmark
- Rolling **12 month analyses** with YOY changes, where available
- **Easy-to-read** graphs that reveal claims sorted by population, utilization and provider
- **Identification of top drivers** by both benefit and diagnostic (ICD 10) categories

Identifying utilization metrics that matter



**Per Member Per Year
(PMPY)**



**Year over year
(YOY) change**



Financial change

COST DRIVERS INDICATORS

Incidence

Suddenly are more people in the household drinking milk?



Frequency

How often is milk being consumed? Did it increase?



Unit cost

Did the cost increase?



High level summary of medical trends



KEY OBSERVATIONS

- **Claimed amount** (what the providers are asking us to pay) has increased. Compared to previous year it's an **18% increase**.
- **Discounts have gone up** in comparison to previous year but that was **not enough** to temper the trend
- **Member Share Trend** had an even smaller increase in 2016. In fact, Member Share as % of allowed **dropped every year**:

6.5%	6.1%	6.0%	5.4%
2013	2014	2015	2016

Biggest cost drivers: benefit categories



KEY OBSERVATIONS

- **OP medicine high cost** area EGP 518 PMPY. Devalued currency set to drive this cost higher
- **OP Consults:** The culture in the Middle east region in general is to go to specialists for consults. Primary care practitioners are seldom visited. This is seen in our data.
- **Consumables** (under IP treatment) financial change and trend high
- **Increase in the price** of 2,010+ pharmaceutical products
 - **31% of the drugs** are used to treat chronic diseases

Biggest cost drivers: diagnostic categories



KEY OBSERVATIONS

- In 2013, the trend on **stress related conditions** and **mental health** saw a **spike**
- **Symptoms and signs not classified** (assortment of signs and symptoms typically stress related)- trend rising
- **Major cost areas:** respiratory diseases, digestive diseases and musculoskeletal diseases

Identifying utilization metrics for major benefit categories driving trend



REASONS FOR TREND

- **Unit cost** appears to be primary reason for trend for all categories
- **Incidence** is particularly high for OP Medicine and OP Consults, with high claims/claimant.
- **OP medicine:** Incidence higher than Benchmark rates. Driven by OTC coverage and increasing incidence of Chronic conditions
- **Brand name** medicine are 60-80% more than generic medicines. There's no motivation for choosing generic.

Outpatient medicine: Year over Year PMPY trends



KEY OBSERVATIONS

- Submitted amount has been consistently **14.5%** in last two years
- Discounts in 2016 **grew at a greater rate** than Claimed, due to introduction of Pharmacy Benefit Manager (PMB) in 2015
- Member Share in 2016 grew at a **much lower rate** than Claimed. Between the fire and frying pan situation

OP medicine: changes within diagnostic drivers



KEY OBSERVATIONS

- **Top 7 conditions** which drive Medication costs are Chronic diseases (except for Acute resp. conditions)
- **Hep B, C, D and E:** despite fears that the trend on the medications to treat Hepatitis would go up – it has actually **come down due to subsidized pricing by Egypt government**

Possible solutions to bend the trend

- Consider introduction of **refined coverage terms**, to include :



100%
for Generics



COINSURANCE
for Formulary Brand



REDUCED COVER
off-formulary

- Provide **turn-key solutions** to raise awareness on the importance of certain diseases, educate on the risk factors associated with targeted diseases and how best to prevent them in the future.

- **Stress:** develop year-long initiative on stress reduction
- **Back pain:** education / decision support for alternatives to invasive surgery
- **Cardiovascular:** onsite blood pressure events to coincide with employer campaigns

MetLife, a co-founding member of MAXIS GBN, offers a Wellness toolkit on various topics, each consisting of a range of tools and materials.

1.

Employer tool-kit explains the campaign objective, model timeline and elements available within the tool-kit.

2.

Email communication

3.

Short Articles

4.

Flyers

5.

Employee Challenges etc.

Thank you for attending and participating.

Any questions?

The MAXIS Global Benefits Network (“Network”) is a network of locally licensed MAXIS member insurance companies (“Members”) founded by AXA France Vie, Paris, France (AXA) and Metropolitan Life Insurance Company, New York, NY (MLIC). MAXIS GBN (“MAXIS”) S.A.S., with registered office at 313, Terrasses de l’Arche – 92 727 Nanterre Cedex, France, is an insurance and reinsurance intermediary (registered with ORIAS under number 16000513 –www.orias.fr) that promotes the Network. MAXIS is jointly owned by affiliates of AXA and MLIC and does not issue policies or provide insurance; such activities are carried out by the Members. MAXIS operates in the UK through its UK establishment MAXIS GBN with registered address at Hackwood Secretaries Limited, One Silk Street, London EC2Y 8HQ and Establishment number BR018216 and in other European countries on a services basis. MAXIS operates in the U.S. through MetLife Insurance Brokerage, Inc., with its address at 1095 Avenue of the Americas, NY, NY, 10036, a NY licensed insurance broker. MLIC is the only Member licensed to transact insurance business in NY. The other Members are not licensed or authorized to do business in NY and the policies and contracts they issue have not been approved by the NY Superintendent of Financial Services, are not protected by the NY state guaranty fund, and are not subject to all of the laws of NY.