



Award Winner

## Insurer Resilience to Minimize the Loss of Life and Health as a Result of Catastrophes

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### INTRODUCTION

According to the United States Department of Homeland Security,<sup>1</sup> resilience is:

*...the ability of systems, infrastructures, government, business, and citizenry to resist, absorb, recover from, or adapt to an adverse occurrence that may cause harm, destruction, or loss of national significance, and the capacity of an organization to recognize hazards and threats and make adjustments that will improve future protection efforts and risk reduction measures.*

The purpose of this essay is to examine resilience approaches adopted by life insurance and health insurance companies in the face of adverse events such as the Los Angeles wildfires, the COVID-19 pandemic, and mass riots.

### LOS ANGELES WILDFIRES

The Los Angeles wildfires of January 2025 were among the most devastating in California's history, driven by extreme drought conditions and powerful Santa Ana winds.<sup>2</sup> Close to 17,000 structures were destroyed or damaged, and at least 30 people lost their lives.<sup>3</sup> The fires forced over 200,000 residents to evacuate and with economic losses projected at \$150 billion, this disaster ranks among the costliest in modern United States history.<sup>2</sup>

Insurers reacted in a number of ways to minimize the health impacts:

#### *Ensuring continuity of medication and care*

The California Insurance Commissioner directed health insurance companies to immediately submit emergency plans ensuring uninterrupted health care access for affected consumers. Insurers were required to allow 90-day prescription refills, suspend refill waiting periods for all drug tiers, waive delivery charges, and streamline access by removing barriers such as step therapy and prior authorizations. Insurers were required to guarantee access to medical services, replace lost medical equipment, expand network flexibility to cover out-of-network providers at in-network costs, and maintain dedicated consumer communication channels.<sup>4</sup>

### *Virtual health services*

Virtual care is included in most Blue Shield of California plans with Teladoc providing 24-hour-a-day access to a doctor via phone or video, and Nursehelp 24/7<sup>SM</sup> providing 24-hour-a-day advice from a registered nurse.<sup>5</sup> By covering telehealth, insurers ensure customers can receive timely care despite evacuations or smoke-related hazards.

### *Flexibility on claims and premiums*

Wildfire response plans often include leniency in administrative requirements to aid recovery. Insurers have extended deadlines for approvals, claims, and payments in affected areas. For example, some insurers may temporarily waive the usual preauthorization requirements and give extra time for claims filing. In addition, some insurers granted grace periods for premium payments for members facing wildfire-related financial hardship. These accommodations are a resilience tactic to prevent policy lapses and alleviate stress on customers until the crisis passes.

### *Mental health support*

Some health insurers opened crisis counseling hotlines, and some insurers offered a free 24-hour crisis line for anyone affected by the Los Angeles wildfires irrespective of insured status.<sup>6</sup> Such initiatives help communities cope with stress, grief, and respiratory anxieties. Extending mental health support and guidance on issues such as smoke inhalation not only assists recovery but strengthens customer trust and engagement during disasters.

## **COVID-19 PANDEMIC**

The COVID-19 pandemic emerged in Wuhan, China in late 2019 and rapidly escalated into a global health crisis. Declared a Public Health Emergency of International Concern by the World Health Organization (WHO) on Jan. 30, 2020<sup>7</sup> and a pandemic on March 11, 2020,<sup>8</sup> the virus spread globally, leading to widespread morbidity, mortality, and socio-economic disruption. Characterized primarily by respiratory symptoms, COVID-19 has varied in severity, disproportionately affecting the elderly and those with pre-existing conditions.<sup>9</sup> Governments worldwide implemented public health interventions such as lockdowns, travel restrictions, and vaccination campaigns to contain transmission.<sup>10</sup> As of mid-2023, the WHO declared that COVID-19 was no longer a public health emergency, although it remains a global health concern with ongoing vaccination and monitoring efforts.<sup>11</sup>

### *Remote monitoring and early intervention*

A novel approach by Discovery Health (South Africa) was to identify high-risk customers and equip them with pulse oximeters for at-home monitoring of blood oxygen during COVID-19. This proactive program enabled early detection of silent hypoxia and timely care, significantly reducing severe outcomes. Over 7,500 members received oximeters, and the cohort saw 27% lower hospital admissions and a 38% lower fatality rate compared to similar groups.<sup>12</sup> By leveraging simple technology and data analytics to monitor patients remotely, the insurer mitigated health risks and improved survival.

### *Goodwill benefits*

Singapore's leading life and health insurers, including AIA Singapore, Etiqa, DBS (via Chubb), and Manulife introduced complimentary COVID-19 protection for policyholders.<sup>13</sup> For example, Manulife allocated S\$1 million to offer S\$1,500 upon diagnosis, an additional S\$2,000 for hospital stays beyond five days, and a S\$30,000 death benefit to be paid on top of the death benefit from the customer's existing policy. These

goodwill benefits were aimed at enhancing financial protection and customer trust. By absorbing pandemic risk and paying ex-gratia benefits, insurers demonstrated resilience through customer-centric innovation.

#### *Mitigation of lapse rates*

The Reinsurance Group of America outlined five pragmatic strategies to reduce policy lapse rates amid the COVID-19 pandemic:<sup>14</sup> (1) Consumer relief, such as premium deferrals, grace-period extensions, benefit suspensions, and coverage reductions; (2) Incentives to maintain coverage, such as wellness perks, telemedicine, loyalty rewards, or retailer discounts; (3) Disincentives against lapses, including policy clauses with penalties or claw-backs and conditional penalties that can be waived upon policy reinstatement; (4) Front-loading premiums, encouraging annual or single-premium payments with discounts and optional later conversion to monthly plans; and (5) Minimizing process friction, like removing wet signatures, promoting automatic renewals, and streamlining digital interactions via apps or messaging platforms. These approaches, coupled with advanced lapse-risk modeling, early-warning systems, proactive retention teams, channel optimization, and competitive product benchmarking, form a comprehensive persistency framework for insurers.

#### *Telehealth expansion*

During the COVID-19 pandemic, Nigeria adopted several innovative insurance-related responses, particularly through AXA Mansard, which played a leading role.<sup>15</sup> The company provided free life insurance coverage to frontline medical professionals in major Nigerian cities and launched a telemedicine partnership with Tremendoc, enabling Nigerians to access virtual consultations and prescriptions while adhering to social distancing protocols. Additionally, AXA Mansard leveraged its relationship with Nigeria's largest women's business network, WimBiz, to offer webinars on health, wellness, and financial literacy, expanding women's awareness of how insurance can mitigate personal and business risks. These initiatives exemplify how Nigeria's insurance sector embraced technology and gender-sensitive outreach to address pandemic-related challenges.

### **MASS RIOTS**

The July 2021 riots in South Africa, mainly affecting the provinces of KwaZulu-Natal and Gauteng, were the most violent unrest in the country's democratic history, triggered by the incarceration of former President Jacob Zuma. The violence, which occurred between July 8 and 17, left at least 354 people dead, thousands injured, and communities fractured. Critical infrastructure was attacked, shopping malls and warehouses looted, and essential supply chains disrupted. The South African economy suffered losses estimated at several billion dollars.<sup>16</sup> The unrest severely disrupted COVID-19 services, including the delivery of treatment and vaccines, particularly in KwaZulu-Natal.

Several insurers implemented novel resilience measures following the unrest:

#### *Hollard*

Recognizing the need for long-term social rebuilding, in April 2022 Hollard launched "Hollard ChangeMaker"—a world-first program allowing policyholders to earn back part of their life insurance premiums by volunteering for vetted community causes.<sup>17</sup> The ChangeMaker initiative logs participants' volunteer hours and rebates up to 20% of premiums for a pilot group of Hollard life policyholders. The goal is to harness citizen action to heal communities and promote social cohesion after the unrest.

### *Metropolitan (Momentum Group)*

Metropolitan Life (part of the Momentum Group) launched a community development initiative in the wake of the unrest to bolster food security and livelihoods.<sup>18</sup> In October 2021 it rolled out “Metropolitan Collective Shapers”—an agricultural entrepreneurship training program for unemployed youth. The nine-week course covers agri-business fundamentals (for example, vegetable and avocado production, permaculture) and includes post-course mentoring to help young farmers start businesses. Metropolitan’s CEO explained that instead of one-off donations, this initiative “gives people the tools to create long-lasting and sustainable opportunities.” By tapping into existing farming skills and passions in rural communities, the program aims to build generational knowledge, boost food production, and strengthen community resilience after the riots.

### *Sanlam*


The Sanlam Group used its Enterprise & Supplier Development (ESD) program to shield local businesses from the unrest’s impact.<sup>19</sup> Sanlam’s foundation rapidly extended grants and coaching to small and micro enterprises (SMEs) in the areas hardest hit by the riots. By late 2021, the ESD program increased funding in its COVID-19 relief grant to keep businesses afloat. As Sanlam reported, its COVID-19 relief grant “played a crucial role in keeping businesses buoyant” even when revenues collapsed. Overall, Sanlam’s support aimed to preserve jobs and help entrepreneurs emerge stronger from the unrest by cutting costs, diversifying income streams, and accelerating digital transformation.

## CONCLUSION


Through interventions like virtual care, remote monitoring, crisis mental health services, policy flexibility, community rebuilding, and support for vulnerable populations, insurers have gone beyond traditional risk pooling to actively mitigate harm, promote continuity of care, and foster social stability. These case studies demonstrate that resilience is not only about operational continuity, but about proactively safeguarding human wellbeing in times of crisis—an evolving imperative in an age of increasingly complex systemic shocks.

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