Zambia **Product Launch** 2024

Madison Life Insurance Zambia Limited (MLife), in partnership with Vitality Health International, excites Zambia with the launch of new health insurance offerings, and innovative benefits

The MLife and Vitality Health International partnership highlights joint commitment to enhancing the quality of lives in Zambia.

***Lusaka, Zambia 10 April 2024**:* MLife, a highly trusted brand that pioneered the introduction of Health Insurance in Zambia, and Vitality Health International, an innovative healthcare insurer, today announced their partnership and launch of their ground-breaking insurance solution. Vitality Health International's health insurance offering is a unique product with exciting enhancements customised for leading businesses in Zambia to provide to their employees. Some new enhancements include the Vitality Malaria Benefit and funeral cover benefits.

The Vitality Health International health insurance offering is unique because it is an insurance product that focuses on well-being. It aims to positively impact people's health outcomes while improving and protecting their lives. This is in line with MLife's support of the Government's initiatives for a healthy and productive Zambia.

About the MLife and Vitality Health International partnership

Madison Life Insurance Company Zambia Limited (MLife) is a specialist Life insurance company which underwrites Health Insurance through Madison Health Management Services, Individual Life insurance policies, Group Life insurance policies, Credit Life insurance policies, Funeral Expenses Insurance policies as well as the provision of Pension Scheme Administration Services and individual Personal Pension plans.

The company celebrated 30 years of existence in 2022, having originally commenced operations as a Life and Pensions Division of Madison Insurance Company Zambia Limited, which was the first private sector insurance company to enter the liberalised insurance market in Zambia, on 1 April 1992 and later became a fully established life assurance specialist company. MLife pioneered the introduction of Health Insurance in Zambia.

As embedded in its company's values of 'Putting Customers First,' Mlife has invested in technology to ensure a memorable and second-to-none customer experience. Partnering with Vitality Health International was a strategic move as MLife continues to expand, grow, and contribute to the development of Life and Health insurance in Zambia, covering both individual and corporate clients.

This partnership aligns with MLife's promise to the people of Zambia "Protecting you all the way". The specialist insurance company's products, with wellness at their core, puts customers first and protects them physically, mentally, financially, and emotionally.

About Vitality Health International (VHI)

Vitality Health International is owned by multi-award winning South African insurer, Discovery, which pioneered the Vitality Shared-value Insurance model in South Africa, changing the insurance

landscape with a health insurance model that rewards people for living healthier lives, and building successful partnerships globally with leading insurers. Today, Discovery has a global presence, operating in over 40 markets and impacting the lives of more than 35 million people worldwide. Since its launch in January 2022, Vitality Health International has been gaining momentum in bringing health insurance that rewards healthy living to employer groups in the rest of Africa. In addition to Zambia, the health insurer has already extended its roots to Kenya, the Democratic Republic of Congo, Mozambique, Nigeria, Tanzania, and Ghana.

Vitality Health International's partnership with Madison Life Insurance in Zambia

MLife is Vitality Health International's in-country medical insurance partner, using its established systems to collect premiums and manage debtors. Vitality Health International focuses on providing excellent healthcare insurance to the nation while simultaneously expanding its reach throughout Zambia. Built on fairness, integrity, and trustworthiness, Madison Life Insurance has offices across Zambia, and its services have a global reach. Together, Vitality Health International and Madison Life Insurance are committed to enhancing the quality of life of the African people, making the partnership mutually beneficial for both entities.

Agnes Chakonta, Managing Director of Madison Financial Services, says: "For more than 30 years, Madison Life Insurance has had an expansive presence in Zambia. As one of Zambia's leading insurers, we take pride in our innovative services and dedication to our clients. We believe that working in partnership with Vitality Health International, we will enhance the quality of life for our clients and their loved ones."

Vitality Health International Shared-value health insurance

Our Shared-value model is centred on Vitality, a science-based behaviour-change programme that has been proven through independent research to positively impact health outcomes. The Vitality programme is embedded in the Vitality Health International health insurance model. This dynamic behaviour-change programme combines data analytics with rewards and incentives, which directly encourage people to make healthier choices. The shared-value approach enables employees, employers and Vitality Health International to share in the value and benefits of healthy behaviour by lowering healthcare costs for employers and employees, while decreasing the claims risks for Vitality Health International.

Employers are rewarded with a cashback of up to 10% for encouraging their employees to get healthy and the Vitality Health Fund, which can be unlocked when members complete their Vitality Health Review, extends the employees' outpatient benefits by up to $100, based on completion of Vitality health assessments and positive engagement with the Vitality programme. Employees can earn exciting weekly rewards with Vitality Health International's exciting range of rewards partners, including MTN, where vouchers can be redeemed for achieving their goals, or employees can choose to donate towards a life-changing vaccine. By completing their weekly goals (including personalised, mental, fitness and lifestyle goals), members close their virtual 'fuel bar' and successfully earn rewards.

Emma Knox, CEO of Vitality Health International says: "The foundation of the Vitality Shared-value model is to reward people for healthier behaviours, which improves their physical and mental well-being, improving productivity and decreasing the employer's insurance or 'health risk'. Through this model Vitality Health International is contributing towards a healthier society by making businesses and their employees healthier."

The Vitality programme also enables Vitality Health International to provide an on-site wellness experience for employers. Vitality Health Checks, conducted by experienced healthcare wellness specialists, are an essential aspect of the Vitality programme because employees get to understand their current health status and lifestyle risks, which is the first step towards changing behaviour and then starting to get rewarded for healthier choices.

Knox says: "As a data-driven organisation, Discovery Health tracks trends emerging from 3.7 million medical scheme members of 19 administered medical schemes in South Africa. This data shows an increase in screening rates with clients who have signed up for Vitality. A number of studies have also found that the overall impact of Vitality on mortality rates is significant. Very engaged members who are on Gold and Diamond status with Vitality are estimated to have reduced mortality risk as a result of healthier lifestyles, increasing their life expectancy to 87 compared to 67 for the insured population in South Africa."

After each on-site Vitality wellness day, comprehensive reports with metrics and unique insights are shared with employers to help them improve health outcomes for their employees. Knox adds: "The Vitality wellness days that we have conducted in other African markets have been extremely impactful in helping employees understand their health and these events will continue to evolve and improve over time."

Healthcare benefit plans extend from in-country to abroad

Tailored to the unique needs of each market it operates in, Vitality Health International offers a comprehensive range of benefit plans including in-country, Africa Roaming and Worldwide (excluding USA) coverage, structured according to each employer's area coverage needs and budgets. While the health insurance offering caters for employers looking for in-country benefit plans to cover staff who stay permanently in Zambia and don't travel for business, it is also particularly attractive to new-generation expatriates (Zambians returning home after studying abroad) and employees who travel and want to be covered both inside and outside the borders of Zambia.

A comprehensive offering

Vitality Health International offers five health insurance options, with comprehensive cover across all benefits. Employers have the option for their employees to access the **Vitality programme,** available on all benefit options. The Vitality programme is a globally recognised programme that provides the tools and support to improve health and earn rewards.

Vitality Health International is now offering new benefits in Zambia:

1. Vitality Health International has pioneered the first-to-market **Vitality Malaria Benefit**, available across all Vitality Health International plans. It includes a rapid diagnostic test for employers to make available for their employees. Over-the-counter medication will also be made available where a positive result is picked up. The Vitality Malaria Benefit dovetails perfectly with Vitality Health International's partnership with Goodbye Malaria, with the aim of achieving zero malaria in our lifetime.

2. Vitality Health International now offers a life-changing supportive benefit, **Vitality Standby-U cover**. This cover offers a holistic return to wellness following the loss of a loved one. The benefit provides financial support in the form of a lump-sum payment and a data and voice bundle in partnership with MTN. Emotional and physical health support is offered through

Healthy Company, Discovery's digitally enabled employee assistance programme and wellness solution. Members will have access to support for a period of three months after the loss of their loved one.

An MLife and Vitality Health International healthcare revolution is brewing

Dr Brian Manchishi, Deputy Registrar-Insurance of the Pensions and Insurance Authority of Zambia and other distinguished guests attended the Madison Life health solutions introduction in Lusaka, Zambia today, in partnership with Vitality Health International. Key executives presented to financial advisers and media on emerging healthcare trends, the science behind the Vitality programme and other pertinent healthcare topics:

- **Agnes Chakonta** (Managing Director of Madison Financial Services): Contextualised the Vitality Health International Partnership with Madison Life Insurance
- **Emma Knox** (CEO of Vitality Health International Africa): An introduction and overview of Vitality Health International
- **Dr Brian Manchishi** (Deputy Registrar-Insurance of Pensions and Insurance Authority of Zambia)
- **Thando Nyawose** (Counsellor Political; South African government stakeholder)
- **Nikitha Gcelu** (Head of Vitality): The Vitality healthy behaviour programme and product insights
- **Aba Etsiah** (Business Relationship Executive): Support offered through service excellence.
- **Tumela Vuma** (Business Development Manager): Support offered through each phase of the sales journey.

Three key trends in the African market that underpinned the health insurance model

The Vitality Health International model is highly relevant for the African market, considering three key consumer trends that are impacting the healthcare landscape.

Healthcare in Africa is ready for disruption.
The health insurance industry in Africa is modelled on traditional approaches to healthcare cover. With its young, millennial population the industry is ready for innovation. In addition, with medical inflation increasing in 2021 for the fifth straight year, the cost of health and healthcare is at an all-time high. Vitality Health International recognises that the risk is behavioural, and through Vitality, the healthcare costs (as people get healthier, increase their physical activity and take better care of their mental health) and the cost of insurance will be lower than the costs experienced by traditional insurers.

Zambia, compared to the rest of the world, also has a young population with the dominant working-class generation being millennials. The steady growth in Zambia's middle class (49% of the population) is an indicator of increasing affordability for health insurance and a growing demand for quality healthcare. For these millennials, wellness is a daily, active pursuit. They are exercising more, eating smarter, and smoking less than previous generations. They are using apps to track training data and online information to find the healthiest foods – a market ready for innovation and disruption.

Africa is going through a disease profile shift
Lifestyle diseases such as obesity, diabetes and cardiovascular disease, are emerging as the main cause of death in Sub-Saharan Africa. This shift is caused by increased urbanisation, lack of physical activity, poor levels of disease screening and late-stage disease diagnosis. "Added to this there is an

estimated 100 million people in Africa suffering from clinical depression. Employers are looking for more holistic screening and well-being solutions," says Knox.

Zambia faces a double burden of infectious and chronic diseases. According to the WHO, the prevalence of hypertension is 32% among adults aged 30 – 79 years, there is a malaria incidence of 340 per 1,000 people, and there's a 4% prevalence of depressive disorders in Zambia. In addition, the IDF reports an 11.9% prevalence of diabetes in Zambia, with an expected rise of 10.9% by 2030.

When it comes to mental health, Zambia has a 20% prevalence of mental disorders and ranks 32nd in the world with a suicide rate of 14.4 per 100,000 people, according to a research report in the National Library of Medicine (NLM). The World Bank considers mental disorders the greatest thief of productive economic life with Forbes estimating that 4% of the global GDP was lost due to the economic burden and impact of mental illness. Recognising the deterioration in mental health in Africa, Vitality proactively developed a Healthy Mind initiative that encourages its members to know their mental health status, improve their mental health and get rewarded for it.

Africa's young population is adopting digital technology and connection at a rapid rate.
Interest in health and wellness, and specifically wearable tech that tracks health activity, is high. Zambia is a tech-savvy population which makes the app-based Vitality programme ideal for the market. According to the Global System for Mobile Communications, Zambia had a 101% smartphone penetration in 2020.

According to the World Health Organization, 22% of Zambian adults are physically inactive. Various studies have shown that wearable devices drive behaviour change, leading to a 34% increase in physical activity.

All Vitality Health International members qualify for a 40% discount on a Garmin watch to help them get active.

Commenting on emerging healthcare trends during the roadshow, Knox said: "We are bringing a completely new type of health insurance to the rest of Africa. One that focuses on mental and physical wellness. Our offering has been specifically developed for the African market. It is an innovative, digitally-enabled solution that promotes preventive screening and offers incentivised healthy behaviours through our exciting new cross-continental rewards partners. All three emerging trends offer a unique opportunity for Vitality Health International to make a significant impact in these markets."

Partnering with Goodbye Malaria further enhances and protects people's lives

Last year, Vitality Health International, announced a partnership with social benefit organisation, Goodbye Malaria, to accelerate the fight against malaria, a disease that is still taking an unrelenting toll on human health in Africa.

"Vitality Health International's health insurance offering is aimed at positively impacting people's health outcomes while improving and protecting their lives. By partnering with Goodbye Malaria, we are taking a significant step towards achieving this goal. We believe that by working together, we can reduce the negative impact of malaria and save many lives on the continent" says Emma Knox, CEO of Vitality Health International: Africa. "Malaria remains the most prevalent disease in Africa with a major impact on the lives and livelihoods of the most vulnerable with $12 billion lost in productivity every year."

This partnership will have a strategic focus in the fight against malaria with the aim to potentially eradicate this deadly, yet preventable, disease in years to come.

At the heart of Vitality Health International

“Our health insurance model, with the Vitality programme at its core, is highly relevant in the context of the changing landscape. Vitality Health International’s unique healthcare solutions that reward healthy living can assist employer groups to manage employee health for the best business and individual outcomes. The shared-value model also brings down the insurance risk and improves performance as an insurer. At the same time, Vitality Health International is contributing towards a healthier society over time,” Knox concludes.

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