

Risk Matters



Dear Reader,

H1N1 influenza (Swine flu) has spread around the world in a short period.

The rapid increase in numbers in some countries led the WHO to elevate the pandemic to phase 6, the highest level. Dr. Margaret Chan, Director-General of the World Health Organization, declared on June 11 that "the world is now at the start of the 2009 influenza pandemic".

The first death outside the Americas also added to concerns that there may be a significant risk. We have been asked by companies if there was any need to review their policies on underwriting applicants for life insurance, in the light of these developments.

This article gives a summary of the current situation and our views on risk management. However, the pandemic is still at an early stage, and rapid changes in how the virus spreads or affects different groups may still occur. We will need to remain alert to any further developments.

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Dr. Ian Cox
Consultant Chief Medical Officer
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Pandemic Flu

In late April, initial reports of influenza-like illnesses in Mexico and the identification of a new strain of influenza type A in the Southern United States heralded the start of the current worldwide pandemic by the H1N1 virus initially known as Swine Flu. In contrast to influenza types B and C, an A virus can infect not only humans but also birds, pigs, horses, and other animals. This particular H1N1 strain has not circulated previously in humans.

Why update now?

The elevation of the World Health Organization (WHO) pandemic alert to phase 6 on June 11, 2009, along with the news of the first death in Europe on the same day from the flu, caused renewed enquiries from clients as to our stance on this outbreak. Phase 6 means that the virus caused sustained community outbreaks in two or more countries in one WHO region and in at least one other country in another WHO region.

The recent sudden increase in reported numbers of cases in some countries also resulted in clients asking if there should be a change in our approach to travel to certain countries.

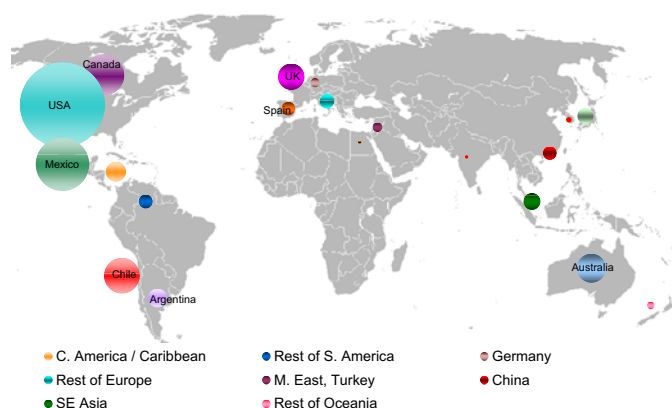
What has changed?

As of June 18 there had been continued spread of the virus around the world, with more than 42,000 confirmed cases¹ in over 80 countries with 175 deaths (as detailed in the following Table and shown in Figure 1). A rapid increase of cases in Australia and Canada caused the WHO to raise the pandemic phase to level 6. The authorities reminded people that this was purely on the presence of sustained outbreaks of infection across different WHO regions and not because of the severity of the illness. In countries where the virus and the response to it are already widespread, it is not likely to mean significant changes.

Table: Number of confirmed cases of A(H1N1) virus²

	Cases	Deaths
Canada	4049	7
USA	17855	44
Mexico	7083	113
C. America/Caribbean	1037	3
Chile	3215	2
Argentina	914	4
Rest of S. America	502	1
Egypt, Morocco, RSA	36	
M. East, Turkey	248	
Australia	2118	
Rest of Oceania	155	
Spain	488	
UK	1752	1
Germany	229	
France	120	
Italy	80	
Rest of Europe	331	
Russia, Ukraine	4	
India	30	
China	493	
SE Asia	745	
Japan	666	
Korea (South)	73	
Total	42223	175

Figure 1 – Geographical distribution of confirmed cases of A(H1N1) virus³



Death in UK

The recent death of a 38-year-old woman in Scotland has reminded people that this virus may not be completely benign. This was the first death outside the Americas from H1N1. It has been reported that the victim had significant underlying health problems. One report states that she had been admitted to the hospital with a stroke.

Mortality

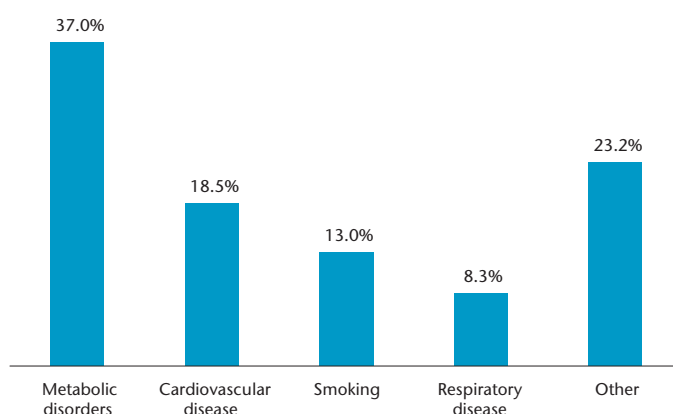
The vast majority of people infected with H1N1 have experienced mild symptoms and have fully recovered after a short period.

Young people seem to have experienced a higher rate of infection worldwide and the few deaths that have occurred have been mainly in the 30 to 50-year-old age group. This is different to the usual mortality pattern of seasonal flu.

The most severe infections have been in those with co-morbidities such as obstructive lung disease (including asthma), diabetes, cardiovascular diseases, autoimmune diseases and obesity. Pregnancy has also been identified as a period of higher risk. However, the WHO has pointed out that one-third to half of the severe or fatal infections have occurred in previously healthy young people.

On June 11, the Ministry of Health of Mexico published further information on the A(H1N1) situation in Mexico.⁴ According to this report, 1.7% (or 109) of the cumulative cases reported (6,403) died with the last deaths recorded on May 31. Just over half of the deaths (52%) were females, with the majority (71%) of deaths in people between 20 and 54 years of age. Most patients who died had underlying conditions as per Figure 2.

Figure 2: Underlying medical conditions amongst recorded deaths from the H1N1 virus in Mexico (Metabolic disorders refer mainly to diabetes and obesity; Other refer mainly to infectious or autoimmune diseases and neoplasm)



Have the risks become clearer?

In the UK, for example, the authorities initially tried a system of containment by isolating infected individuals and treating them and close contacts with anti-virals, and closing schools where an infected individual had been identified. This policy is currently under review especially in Scotland where there is an acceptance that the virus has become endemic in the community.

Overall, some 25% of total cases reported in Europe are so-called in-country transmissions. This rate is similar to the situation in mid-May but significantly lower than at the beginning of June when it was close to 40%. Obviously, this rate depends heavily on the patients affected and whether they continue to engage in community activities such as working or attending school.

Singapore, which has reported 66 cases as of June 17, uses a Disease Outbreak Response System which is currently at "Alert Yellow". Alert Yellow refers to "inefficient human-to-human transmissions of flu caused by a novel virus". Although it is recognised that the risk of import into Singapore is elevated, it is regarded as small. Indeed almost all cases reported (65 out of 66) are classified as imported – mainly from Australia, United States and the Philippines. Of the last 17 imported cases, 4 were detected by thermal scanners at the airport.⁵ The strategy is to further prevent import of cases, and to ring-fence and isolate cases to prevent spread.⁶

Should we be doing anything differently?

Correct risk stratification depends on details such as occupation, prior health, socio-economic group and other factors. We do not know if those infected are representative of the insurance-buying public at this time. *Also for that reason, we do not believe that there should be any change in underwriting policy at this time.*

Modern selection processes often discourage disclosure of minor ailments at the underwriting stage, even citing flu as an example. Couple this with the short incubation period for this infection (7 to 10 days) and it seems unlikely that applicants for insurance who have or are incubating H1N1 will be identified. However, we are able to identify those with health conditions that have an increased risk of mortality in normal circumstances. These conditions also increase the risk if infected with H1N1 so the appropriate rating must be correctly applied.

Some companies around the world offer “free cover” while underwriting takes place. This concession may need to be reviewed if the mortality of H1N1 increases as anti-selection would become a greater risk in these circumstances.

Should we rate for travel to different countries because of H1N1?

While there are countries with higher reported rates of infection than others it is likely that this virus is widespread around the world. The reported differences in incidence rates may reflect the varied public health systems in different countries. Those with better surveillance systems may have higher reported rates. There is currently no evidence that these countries have experienced a higher mortality rate from H1N1 virus than other countries.

The vast majority of travellers around the world are unaffected by this infection. Even those who have travelled to other countries and contracted H1N1 infection recover fully in normal circumstances. For these reasons, we do not recommend any change in our usual policy towards travel to any individual country or region.

The future

Previous pandemics have spread around the world usually taking 6 to 9 months. It is expected that there may be an initial wave of infection followed by a second peak at a later date. Authorities are concerned that this would occur during winter in the Northern Hemisphere.

Vaccination

Researchers and pharma companies are involved in developing vaccines for this flu virus. It is hoped that a vaccine is available for distribution before the autumn period starts in the Northern Hemisphere and thus slows the spread in the usual winter flu period. Whereas the WHO's decision to declare the H1N1 flu a pandemic will encourage and speed the production of a vaccine, other messages on the difficulties in preparing the seed stocks of the virus which manufacturers will use to start production, suggest that a vaccine may take longer to produce than the usual period of 3 to 6 months. In any case, capabilities will be limited and the vaccine may not be available for every person.

A further risk is that the virus may mutate into a different strain with much higher virulence, continued high infectivity and a structure that a vaccine does not protect against. We will need to continue to monitor the situation around the world. Underwriters should use their discretion in applying the current recommendation to the assessment of individual risks in light of the latest information available from the WHO (www.who.int) and other institutions such as the Centers for Disease Control and Prevention (www.cdc.gov) or European Centre for Disease Prevention and Control (ecdc.europe.eu).

Endnotes

- 1 Cases in the US include both probable and confirmed cases.
- 2 ECDC Situation Report, Influenza A(H1N1)v infection, Update June 18, 2009, 17:00 hours CEST; please note that not all countries report new confirmed cases on a daily basis.
- 3 *Ibd.*
- 4 Comunicado de Prensa No. 180, 09/Junio/2009, Secretaría de Salud, México.
- 5 Ministry of Health, Singapore, Press Release of June 17, 2009.
- 6 www.crisis.gov.sg/FLU/Alert+System.html, accessed on June 18, 2009.