

Managing obesity: a shared commitment



In Canada, the problem of obesity and overweight is growing and poses significant health challenges for the individuals involved, but also for the financial health of organizations, which can play a crucial role in this regard.

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The problem is real and is on the rise in the Canadian population. In 2022, 8.7 million adults reported being obese. In addition, some 10 million people said they were overweight.¹

That's a total of 18.7 million adults—three out of five—who said they carried excess weight that could have a negative impact on their health.

Obesity has been increasing in Canada for several decades and has even doubled since the 1970s. Globally, the prevalence of this condition has tripled since the 1950s, and it is estimated that nearly 2 billion people will suffer from it by 2030.²

What exactly are we talking about?

According to the Canadian Medical Association, obesity is a complex chronic disease.³ It is characterized by an abnormal or excessive accumulation of body fat that is harmful to health. Addressing it can generate tangible health benefits, but also economic benefits for organizations.

There are several ways of measuring excess fat, the most common one being the body mass index (BMI). The BMI is calculated by dividing the person's weight by the square of their height, according to the following equation:⁴

$$\text{BMI} = \text{weight(kg)}/\text{height(m)}^2$$

Health risk based on body mass index (BMI)		
Classification	BMI class (kg/m ²)	Risk of problems
Normal weight	18.5 – 24.9	Less
Excess weight	25.0 – 29.9	More
Obesity, Class I	30.0 – 34.9	High
Obesity, Class II	35.0 – 39.9	Very high
Obesity, Class III	>= 40.0	Extremely high

However, although it is widely used as an indicator of the prevalence of the risk of one or more conditions associated with overweight developing, the BMI does not provide a complete picture of the situation and does not apply to the entire population.

To be relevant, the BMI must be assessed against other indicators. This is why specialists also consider waist circumference, for example, to identify the risks caused by overweight.

Other indicators that can more accurately reflect the risks associated with weight gain include blood tests, presence of persistent symptoms, lifestyle and eating habits, etc.

OBESITY: HEALTH CONSEQUENCES		
Gateway to many other diseases		
Metabolic	Mechanical	Mental
Type 2 diabetes	Sleep apnea	Depression
Cardiovascular disease	Knee osteoarthritis	Anxiety
Cancer	Chronic back pain	



Decreased life expectancy



Public health issue



Worldwide epidemic

Health impacts

About 6.8% of deaths in Canada can be attributed to obesity.⁵ Therefore, weight and obesity issues are important to people's health.

The condition is associated with several dozen types of complications, and the more excess weight, the greater the risk of mortality and the development of harmful conditions.

Also, people who are obese suffer many other effects on their mental and financial health, in addition to consequences in their social environment.

Individual costs

In Canada, obesity generates an overall cost associated with short- and long-term disability and premature mortality of \$1,943 per person per year. In the United States, obese people generate US\$2,505 more in annual health costs than people whose weight is considered normal.⁷

Obesity also poses significant challenges for personal finances:

- Loss of income
- Associated mental health problems
- Drug costs
- Adaptation of equipment
- Etc.

People who are obese are 94% more likely to use health services.⁸ What's more, their annual health care costs are higher than those of people of normal weight, ranging from 14.7% to 54%, depending on gender and country of residence.⁹

Obesity is a major risk factor for cardiovascular disease, but also for other health problems. The condition can also have a significant impact on people's mental and financial health.¹¹

The financial challenge for organizations

It is not surprising, therefore, that organizations that are concerned about the wellbeing of their staff want to provide them with the necessary resources and support.

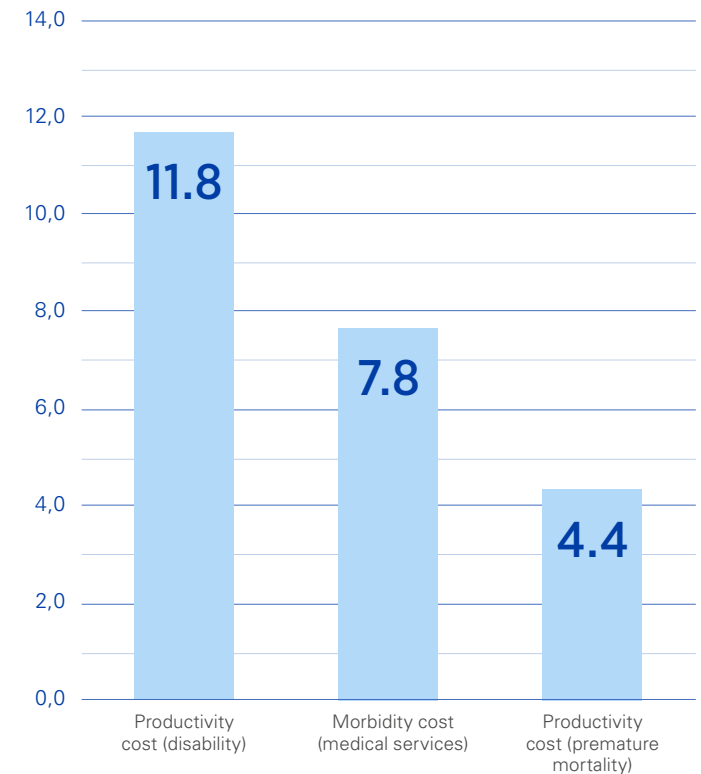
Prior to the COVID-19 pandemic in Canada, the total cost of lost productivity due to disability caused by obesity was \$11.8 billion.¹² These costs take into account absenteeism and presenteeism rates associated with obesity. In addition, \$7.8 billion is attributable to the direct and indirect costs of various chronic diseases related to obesity.

For example, a person with Type 2 diabetes can cause up to \$1,500 a year in lost productivity and absenteeism.¹³

Obesity can also have a significant impact on an organization's financial health. People whose BMI indicates overweight up to obesity have significantly higher absenteeism rates than those with a normal BMI.

Depending on the job category and the magnitude of excess fat mass, absenteeism rates for obese individuals may be higher, ranging from 17% for white-collar workers to 37% for blue-collar workers. In addition, there are significant indirect labour productivity costs: for example, in the United States, some studies have estimated that organizations face between US\$7,000 to \$9,000 in additional costs due to obese employees compared to those who weigh less.¹⁴

Total annual cost of obesity in Canada, 2019
Broken down by type of cost, in \$B



Source: Society of Actuaries Research Institute: Obesity Trends and the Impact on Morbidity and Mortality Costs, 2021

In general, people with risk factors such as diabetes, high cholesterol, or high blood pressure report significantly lower productivity and higher medical expenses than people of normal weight with the same risk factors.¹⁵

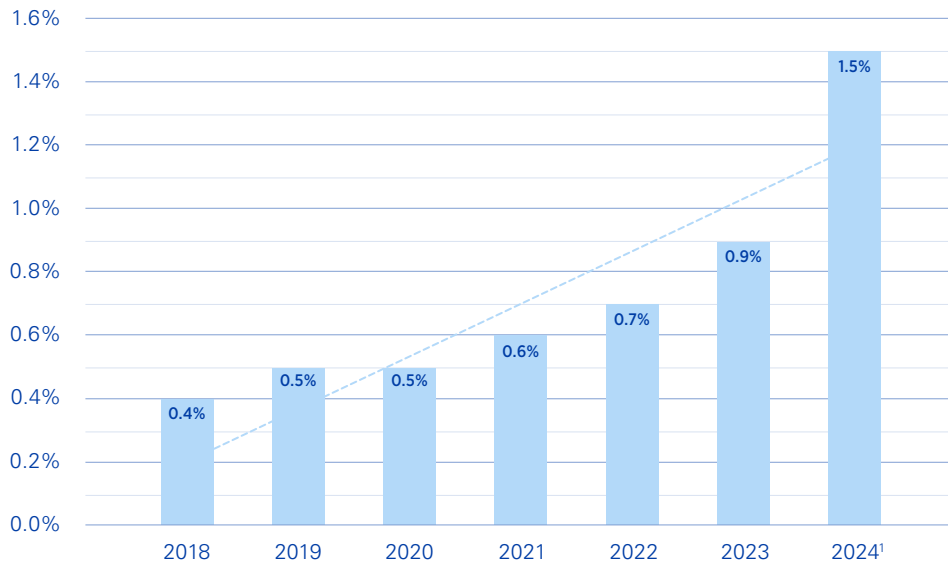
A burden on group insurance plans

From 2019 to 2023,¹⁶ the total number of prescriptions for drugs used in obesity management increased by 82% a year in Canada, boosting the number of annual prescriptions from 250,000 in 2019 to 2.7 million in 2023, in part due to the greater availability of drugs.

This growth is also reflected in pharmaceutical costs and weight-loss drugs represent an increasing share of private drug plans. From 2018 to 2024, the share of private drug plan costs for these drugs grew at a compounded annual growth rate of 24.8% according to the IQVIA™ Private Drug Plan Database. This represents an increase of 275%.

For plan administrators, obesity poses a significant financial risk that is factored into plan pricing. The risk—and the premiums—increase in proportion to the degree of obesity, because of shorter life expectancies and the greater likelihood of disease of insured people.

Share of weight-loss drug costs in private plan balance sheets



¹ As of September 30, 2024

Source: IQVIA™ private drug plan database, 2024

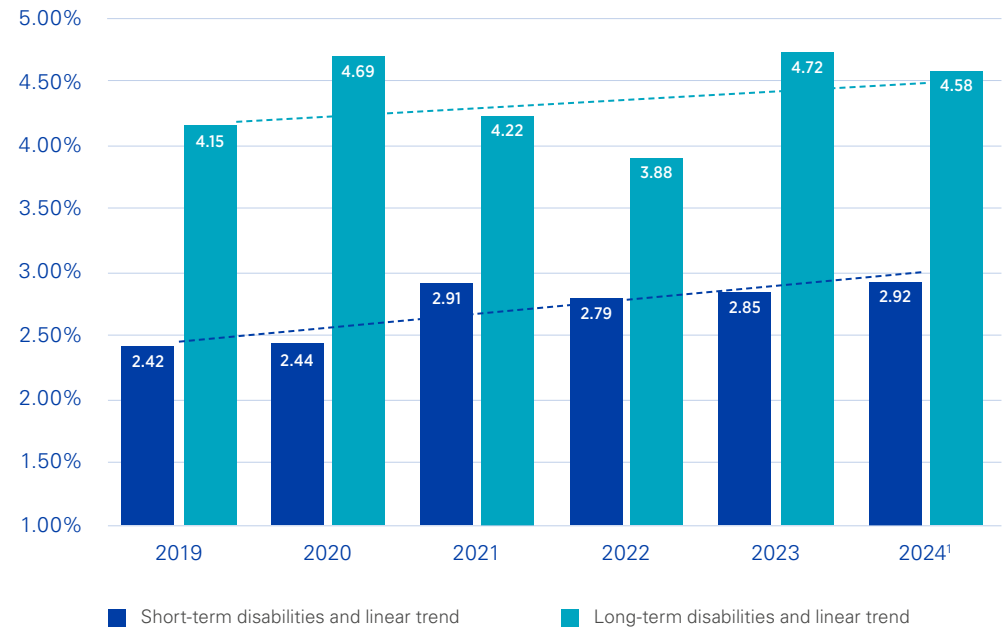
Disability claims are also likely to grow for plans whose members face these issues.

As our disability portfolio illustrates, between 25 and 45 out of every 1,000 people covered by a group insurance plan applied for disability to deal with conditions generally related to obesity, such as stroke, coronary artery disease, diabetes, high blood pressure, etc.

Short-term disability (STD) claims to address conditions generally related to obesity make up about 3% of all disability claims in a given year. They grew by 20.3% from 2019 to 2024, with a compound annual growth rate of 3.8%.

Long-term disability (LTD) claims are approximately 4.5% of all claims. They increased by 10.3% over the same period, at a rate of 2% per year.

Disability cases for obesity-related conditions
iA Financial Group, 2019-2024¹



¹ As of October 31, 2024

Proportion of disability cases for conditions generally related to obesity (diabetes, hypertension, malignant tumours of digestive system organs, arteriosclerosis, etc.) relative to all disability claims at iA Financial Group.
Source: iA Financial Group, 2024

The solution lies in the workplace

Providing access to weight management resources and services can help people manage their weight more effectively and allow them to continue being productive members of the organization.

Obesity is a complex problem, and several factors contribute to it, including genetics, eating habits, the environment, physical activity, medication, sleep and stress.^{18, 19} To support obese people in the workplace, employers can offer insurance coverage that addresses all of these factors.

However, the issue is not solved by simply eating right, taking medication or being physically active. For example, obese people are often stigmatized, which can discourage them from seeking care.

To ensure that an employee benefits program is able to help staff manage this condition, its administrators must clearly identify its causes and select the appropriate tools, programs and products accordingly. Indeed, obesity management must focus on improving overall health rather than just weight loss.²⁰



Obesity is a complex, chronic condition influenced by multiple factors.

Biological

The brain controls eating behaviour and appetite.

Genetic

Approximately 40-70% of weight is linked to genetic inheritance.

Psychological

Stress and psychological distress affect appetite.

Medication

Several types of medication cause long-term weight gain.

Environmental

Poor eating habits and a sedentary lifestyle increase risk.

Social

Inequalities in socio-economic status and access to the healthcare system have an impact on weight gain.

Keys to a weight management program

Controlling obesity is not easy, particularly because access to treatment is difficult and resources are limited, including medications, weight management programs, and therapeutic support.²¹

Therefore, those struggling with obesity should have ongoing access to tools and services under their plan. Programs and support from specialists in nutrition, occupational therapy, physical activity, and other services such as cognitive behavioural therapy or pharmacotherapy, or even bariatric surgery, can sometimes be a solution to this complex issue.

Group plan administrators who choose to offer these products and services to cover more than the direct and immediate costs, such as drug expenditures, may lower long-term costs to the organization by reducing disability claims and absenteeism, and increasing employee engagement.

Such an integrated approach is all the more important because managing a single variable, for example by adopting an approach based only on drug therapy, may not generate sustainable results.²²

The Canadian Medical Association, among other specialist organizations, proposes²³ that an integrated weight management program ideally contains the following elements:

Compelling results

While the weight management journey may seem fraught with challenges, the gains can be significant for both employees and companies.

Weight loss improves conditions associated with overweight. For example, it only takes a modest weight loss to prevent the progression to type 2 diabetes. And even limited weight loss brings benefits. For example, a moderate decrease (5–10%) in fatty tissue is associated with reduced health care costs.²⁴

In addition, weight loss in the order of 5–10% is also associated with lower blood pressure and HDL cholesterol levels, while for obese adults, weight loss can lead to a reduction in overall mortality of about 15%.²⁵

In terms of overall health, small weight losses lead to significant improvements in several factors that can undermine cardiovascular health, such as glycemic and triglyceride levels. The improvements are even more significant when the weight loss is greater.

These improvements are possible when weight management is aimed at improving overall health, rather than simply percent weight loss.

Elements of an organization's weight management program

Intervention	Support from the plan administrator
<p>Nutritional therapy</p> <p>Personalized advice from specialists who focus on food choices.</p>	<p>Coverage of the services of nutritionists, dieticians, etc.</p>
<p>Physical activity</p> <p>Physical activity helps manage obesity and improves cardiovascular health and mental wellbeing.</p>	<p>Coverage of fitness advisory services, such as kinesiologists, wellness account, etc.</p>
<p>Psychotherapeutic support</p> <p>Cognitive-behavioural approaches to encourage the employees concerned to change their habits.</p>	<p>Coverage of mental health programs and services (psychologist, psychotherapy, etc.); training in cognitive biases and stigmatization.</p>
<p>Drugs</p> <p>To promote weight loss and the maintenance of a healthy weight.</p>	<p>Coverage of drugs used to manage obesity.</p>
<p>Bariatric surgery</p> <p>Need determined by the individual and specialists.</p>	<p>Medical absence and return-to-work support policies.</p>

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