



RGGA

Accelerated Underwriting in Life Insurance

ASNY 2017 - Breakout Session #1

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November 13, 2017

SESSION AGENDA

I'll Discuss Recent History of Accelerated UW Programs in U.S. Life Insurance

- Define Accelerated UW for today's purposes
- Spectrum of Current Accelerated UW Programs
- View of Preferred Practices in Accelerated UW Programs
- Early Returns

Dave to Discuss New Life UW Tools

- Overview of Life UW Process
- Available Alternative Data-based Mortality Scores
- Predictive Models 2.0

Plenty of Time for Q&A

Elements of Accelerated UW

➤ Goals:

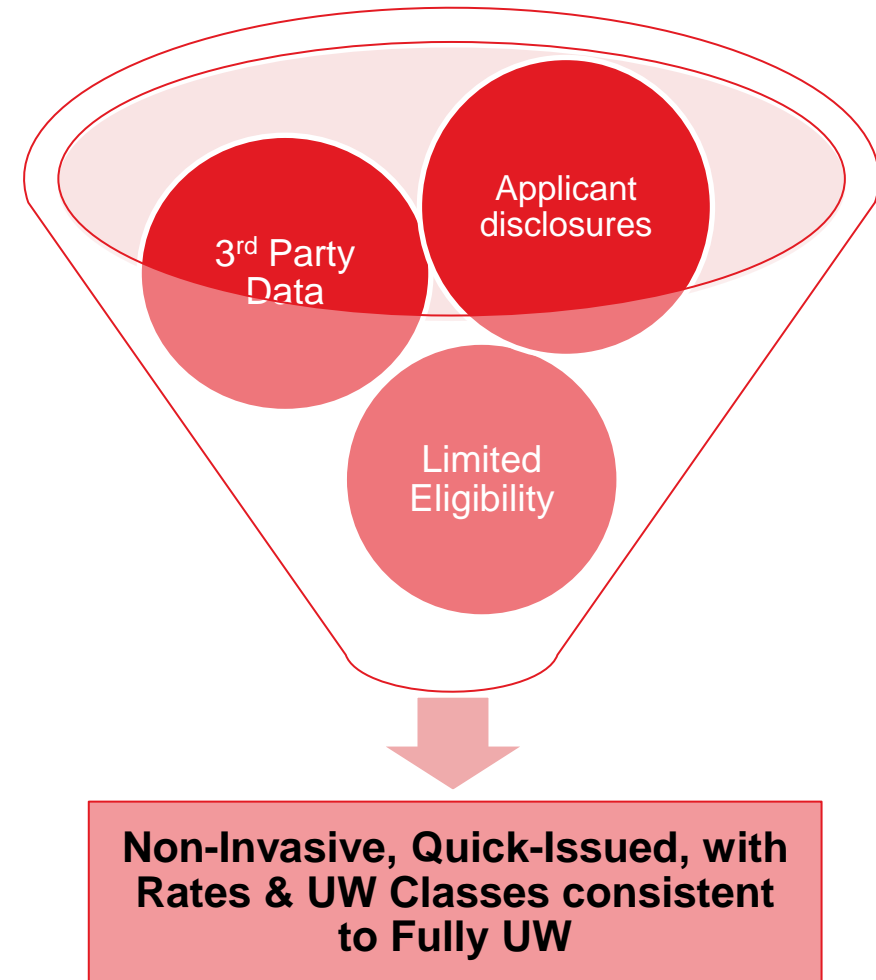
- Improve Customer Experience
- Access New Markets
- Expense Savings
- Utilize New UW Tools (improve Qx & Lx)
- Competitive Pressures
(Process / Rates / Profitability)

➤ UW Tools:

- Forego Fluid Testing, Exams, APS
- Full Application (with Drill Down)
- Use of 3rd Party Data
- Eligibility Limitations

➤ Enhancements

- Automation
- Expanded Use of Predictive Models



Prevalence of Accelerated UW Programs

Do you have an accelerated underwriting program?

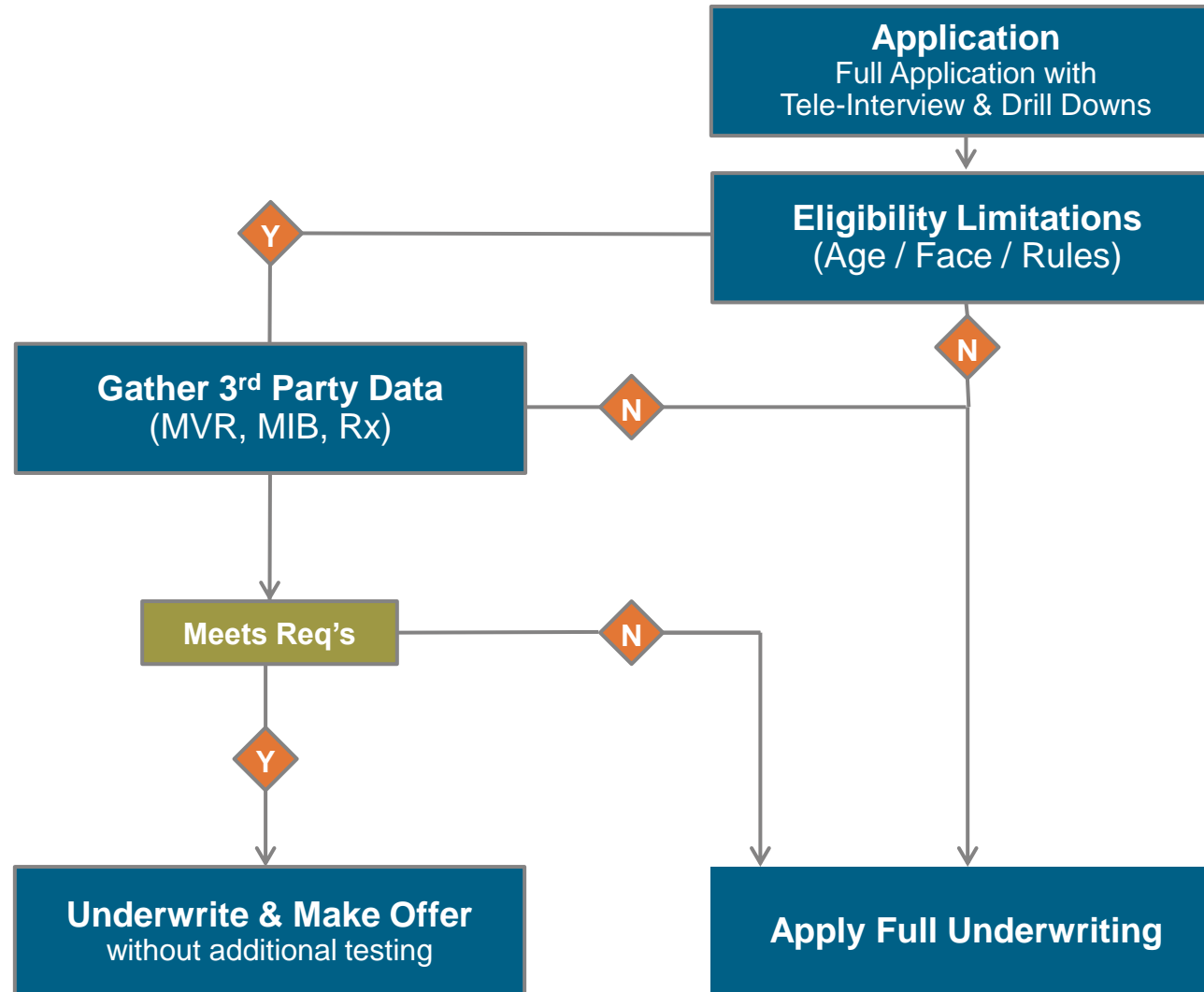
1. Yes – already implemented
2. Working on it, not implemented yet
3. No, but under consideration
4. No and no plans to within the next 1-2 years

What best describes your view of “accelerated”?

1. Close to guaranteed issue
2. Simplified Issue
3. Automated Underwriting
4. Simplified Underwriting
5. Close to medically underwritten

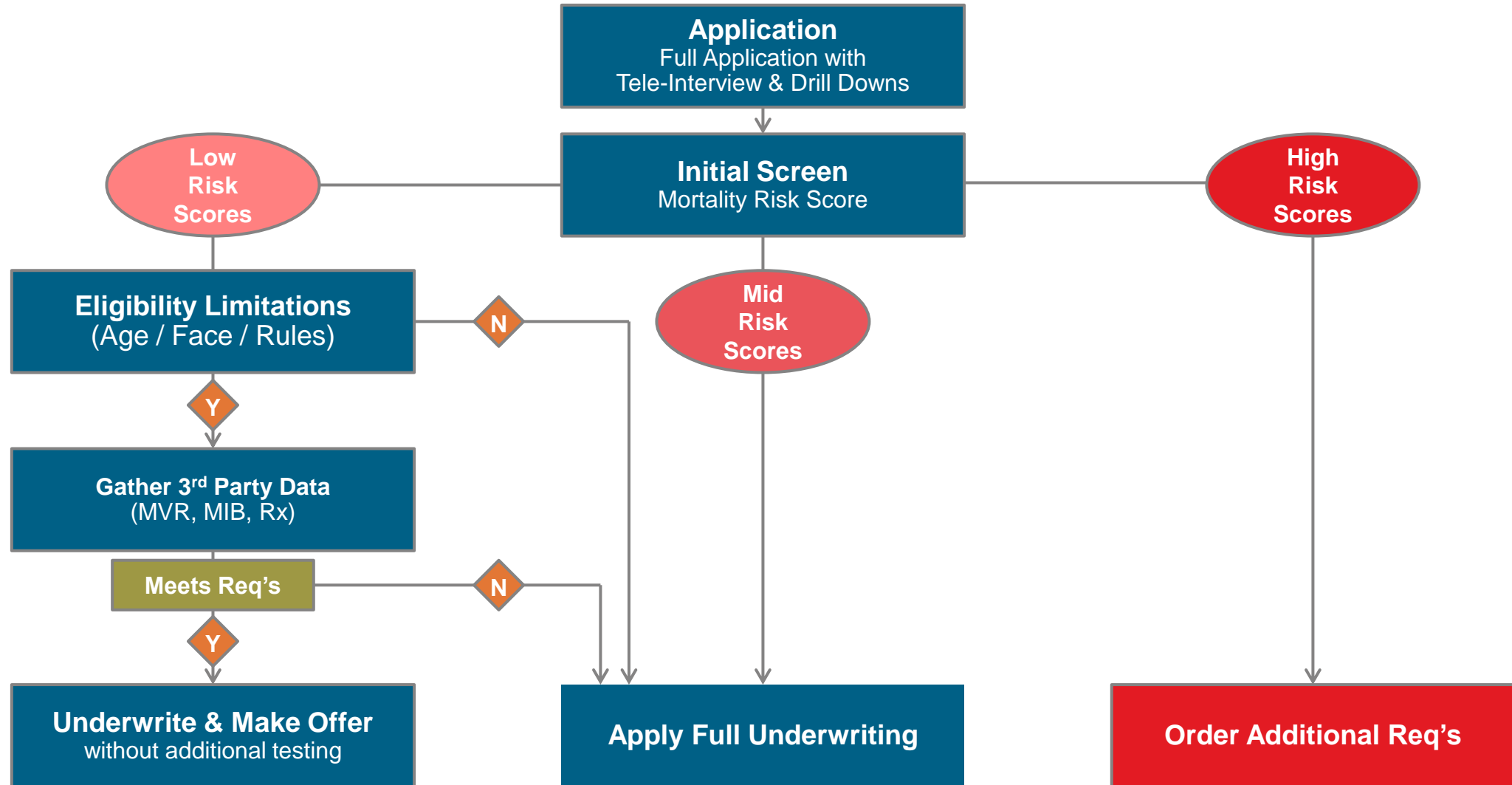
Accelerated Underwriting - Illustration #1

Accelerated / Fluidless Path



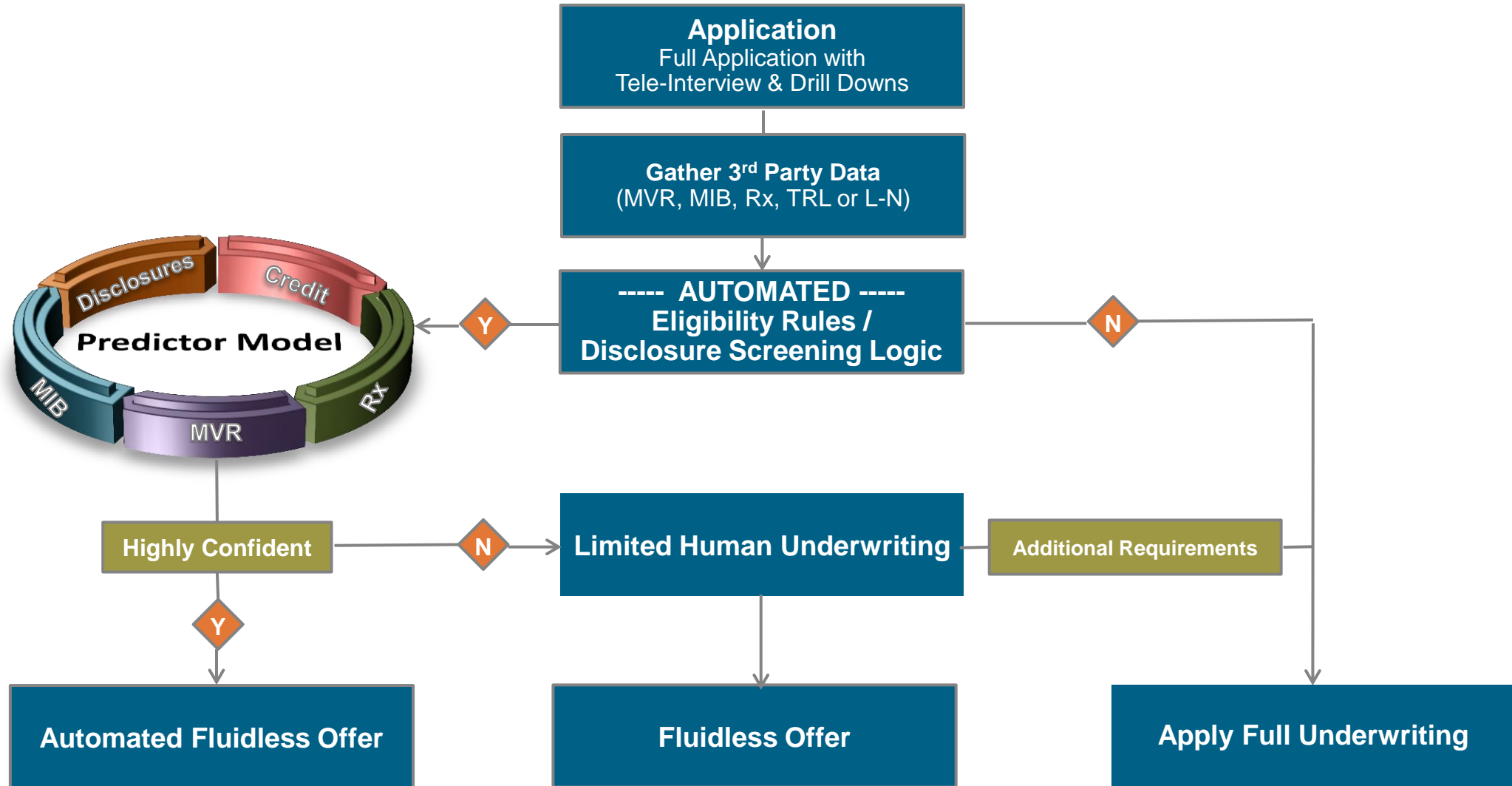
Accelerated Underwriting - Illustration #2

Accelerated / Fluidless Path



Accelerated Underwriting - Illustration #3

Accelerated / Fluidless Path



View on Preferred Practices

- Overall Program
 - Design & Objectives
 - Eligibility & Triage Rules
- Risk Scoring Tools
 - Retrospective Build & Validation
 - Mortality Predictors
- Audit Tools & Program Refinement
 - Real-time Audits
 - Data Management
- Reinsurance Considerations
 - Pool Structure
 - Administration

View on Preferred Practices

Overall Program

- Design & Objectives
 - Define Products / Pilot Program & Rollout
 - Agent and/or Applicant Optionality in UW Path
 - Application Enhancements
 - Level of Automation
 - Desired Pass Through Rate -vs- Mortality Impact -vs- Cost Savings

- Eligibility & Triage Rules
 - Age & Face, UW Classes
 - Identity Verification
 - Impact of Riders, Existing Coverage, Previous Applications
 - Medical & Non-Medical Disclosure Screening Rules

View on Preferred Practices

Risk Scoring Tools

- Historical Build & Validation
 - Retrospective Analysis (Qx Studies, Confusion Matrix)
 - Distribution Analysis

- Predictor Models
 - Efficacy & Exclusivity
 - FCRA vs Non-FCRA
 - Transparency / Reason Codes / Dispute Resolution
 - Rights to the *Score*

View on Preferred Practices

Auditing Tools & Program Refinement

- Real-time Monitoring of the Program
 - UW Class Distribution (x Channel, x Product, x Agent x Time to Issue)
 - Pre-Issue
 - Post Issue Audits

- Data Capture & Management
 - Ongoing Predictive Model Validation / Improvement
 - Program Refinement
 - Early Claim Analysis

View on Preferred Practices

Additional Considerations for Reinsurers

- Reinsurance Structure by UW Silo
- Reinsurance Premium Administration
- Type and Cadence of Reports
- Resolution of “Post-Issue Misclassification”
- Philosophy on Claim Denials “Defend the Application”
- Reinsurer Access / Audit of Predictive Model Scores

Early Returns

- Real-time Audits
- Acceleration Rates
- Incorporating “Light Touch” Human UW
- Incorporating Additional Big Data Elements

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