



somewhat
different

Accelerated Underwriting Southeast Actuaries Conference – 2017 Fall Meeting

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November 16, 2017

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Agenda



Overview of
Accelerated
Underwriting



Underwriting
requirements
& data sources



Monitoring &
Management



Emerging
Experience &
Key Learnings

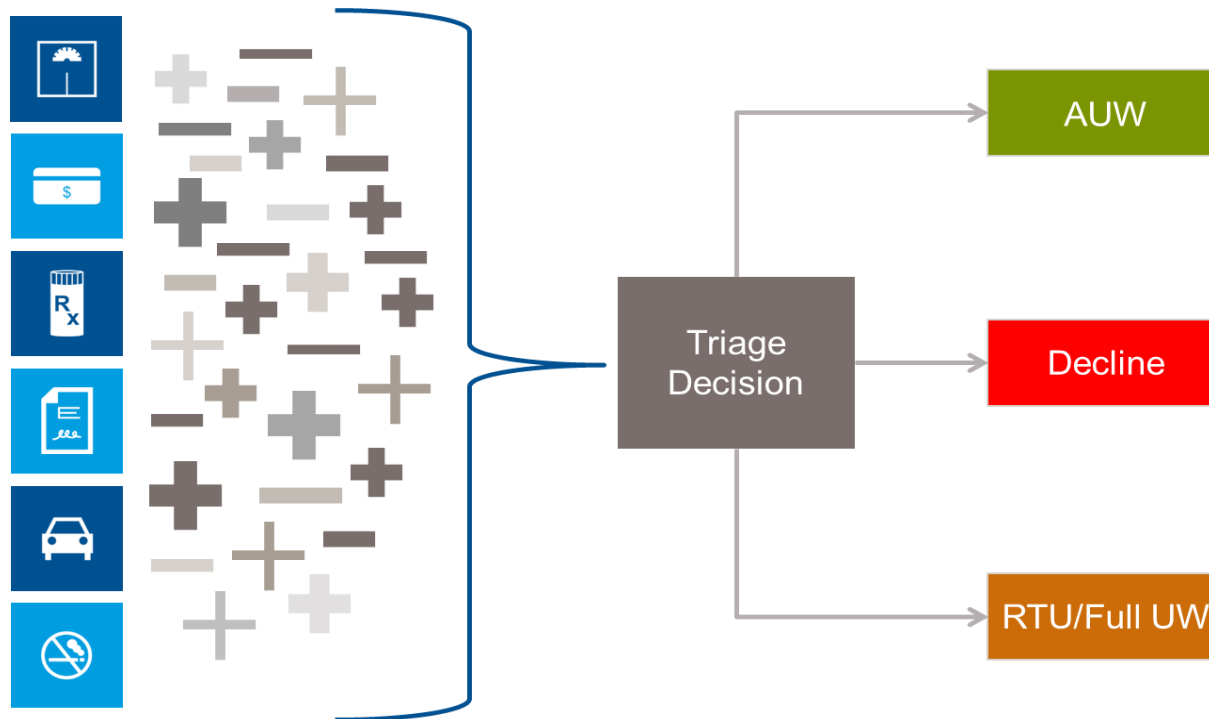


Future trends

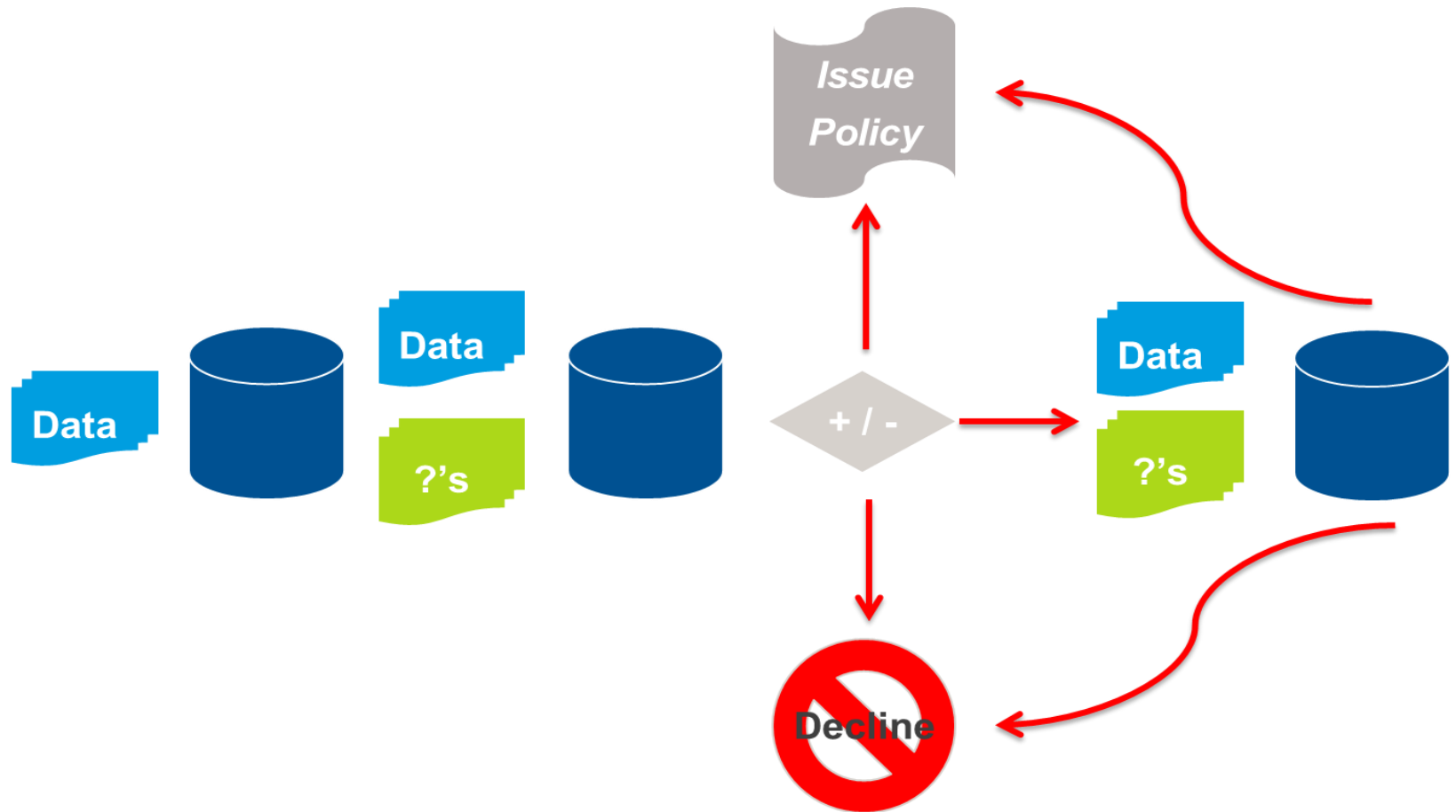
Accelerated Underwriting Overview

▶ Accelerated Underwriting (AUW)

- UW triage; identify “good risks” eligible for less UW
- No paramed exam/fluids necessary for a subset of lower risk applicants



AUW...Moving Toward "Agile Underwriting"



Underwriting Requirements & Data Sources for AUW

Typical info used in AUW programs

- ▶ Application/tele-interview
- ▶ Rx
- ▶ MIB
- ▶ MVR
- ▶ Credit/public records data

Other potential sources of info

- ▶ Clinical lab data
- ▶ Electronic health records
- ▶ Medical billing data
- ▶ Smoker models
- ▶ Wearables

Post-issue UW tools

- ▶ MIB Plan F
 - ▶ Rx re-check
 - ▶ APS



Monitoring & Management

- ▶ Data monitoring important for success of AUW program
- ▶ Learn quickly, adapt as necessary
- ▶ Examples of real-time data monitoring:
 - Demographics and distributions
 - AUW eligibility & qualification %
 - Application disclosures vs. findings from 3rd party data
 - Reasons for AUW-kick out
 - Agent/agency monitoring
 - Random Hold-out (RHO) & Post-issue APS audit results
- ▶ Regular reporting & steering group meetings



Monitoring & Management

- ▶ “Confusion Matrix” analysis
 - Compare risk class based on AUW to decision with additional info (exam/labs/APS)
 - Cross multiply frequency & severity of miss-classification to quantify mortality impact

- ▶ Results of RHO and post-issue APS sampling
 - Provides estimate for amount of excess mortality slipping through AUW process
 - Compare mortality impact to expectations

		Traditional UW Decision								
		Pref Plus	Pref	Std Plus	Std	Pref Tob	Tob	Rated NT	Rated Tob	Declined
Accelerated UW Decision	Pref Plus									
	Pref									
	Std Plus									
	Std									
	Pref Tob									
	Tob									
	Rated NT									
	Rated Tob									
	Declined									

Emerging Experience & Key Learnings

1

Auto vs. manual acceleration



2

Increasing acceleration rates



3

Expectation setting



4

Education, training, & communication to all key stakeholders



Emerging Experience & Key Learnings

5

Sources of surprise findings from exam/labs



6

Protective value of credit/public records & other non-medical data



7

Placement rates



8

Persistency



Trends in AUW



Increased automation



Online, self-response health questionnaires



New 3rd party data sources

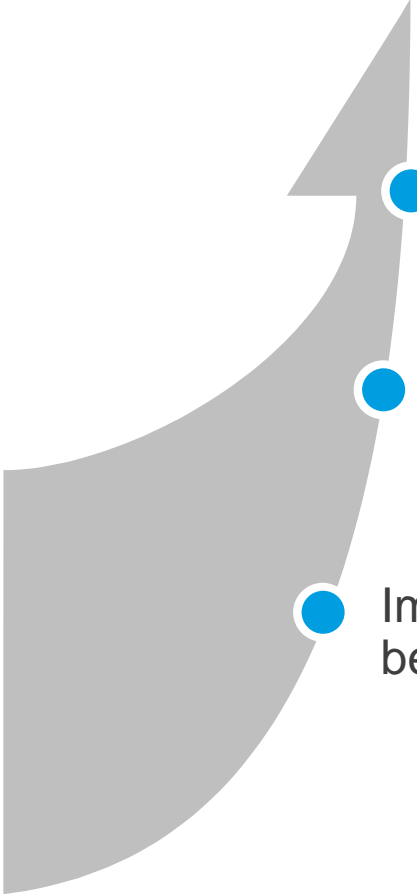


Increasing max age & face amounts



Algorithms and confidence scores

Conclusion

- 
- Prevalence of AUW programs has increased significantly in last 2 years
 - Early experience has been positive
 - Important to continue monitoring closely, producer/customer behavior may change

Questions



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