

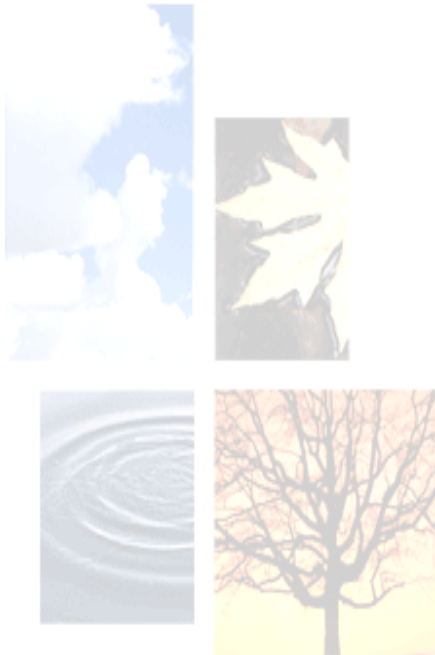


Tele-underwriting

Denise Liston, RN
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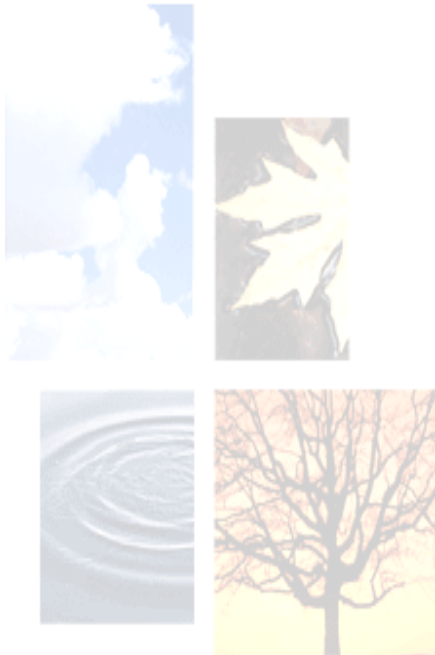
Tele-underwriting

- ... is a procedure in which a professional interviews applicants on the telephone. Initial questions are scripted and the interviewer can probe for additional details.



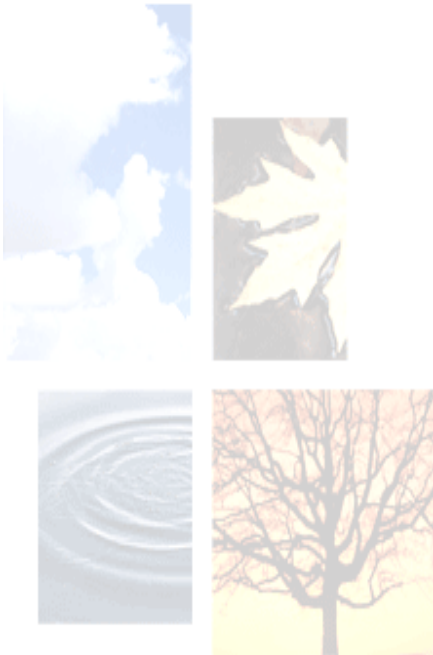
Background...

- 1980's – first tele-underwriting
- 1990's – more companies begin to implement this process
- 1996 – companies begin to monitor cost and outsourcing of process begins
- 2000's tele-underwriting expands from life to living benefit products



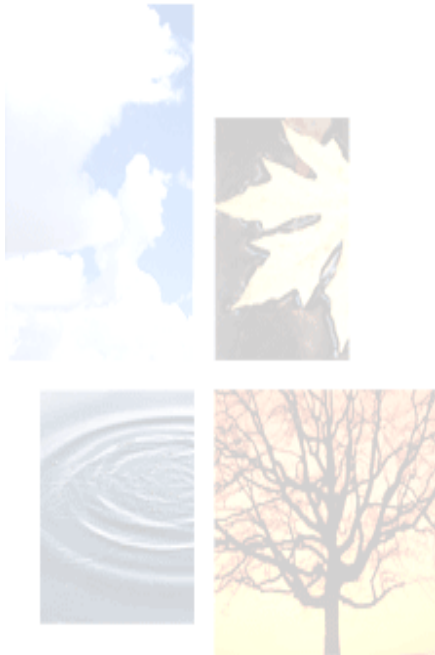
The Market Today

- Growing rapidly
- Almost every insurer is using some form of tele-interview
- Companies are looking at combining with a tele-application



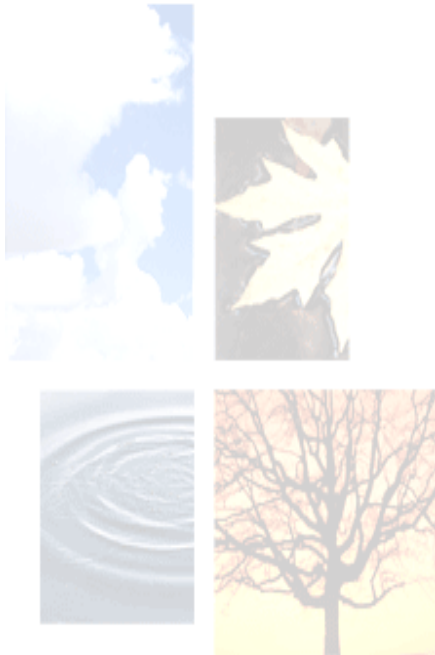
Today....

- Traditional Model
 - Sales agent gathers the most important risk information directly from the applicant;
 - Company then spends time and money checking what was reported



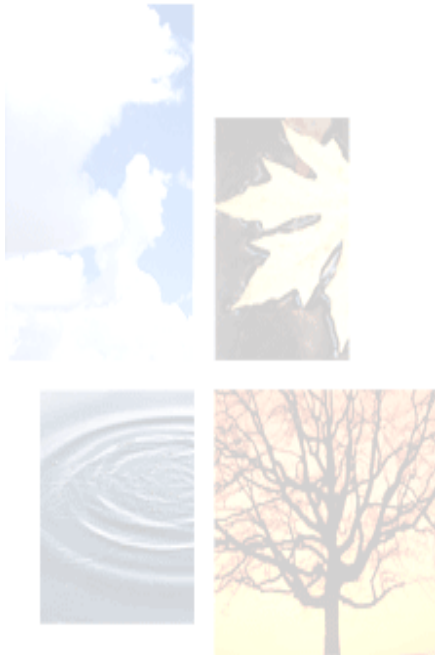
Reinventing Underwriting

- The agent's perspective...
 - Don't like to ask applicants medical data
 - The process needs to be quick and easy
 - Labs and exams are disruptive to the process
 - Issue policies and pay commissions quickly



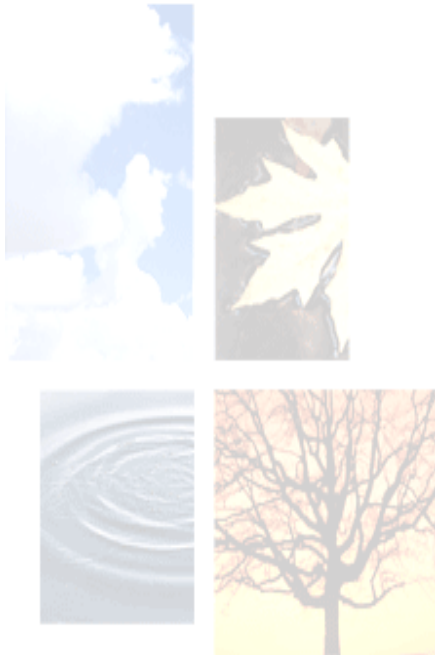
Reinventing Underwriting

- The companies perspective...
 - Medical records are time consuming
 - 2 weeks on average
 - Information is not always up to date
 - Costly – over \$50 on average
 - Interviews can be customer friendly
 - Tools can be customized to gather the level of details
 - Supplementary tools can be incorporated into the interview



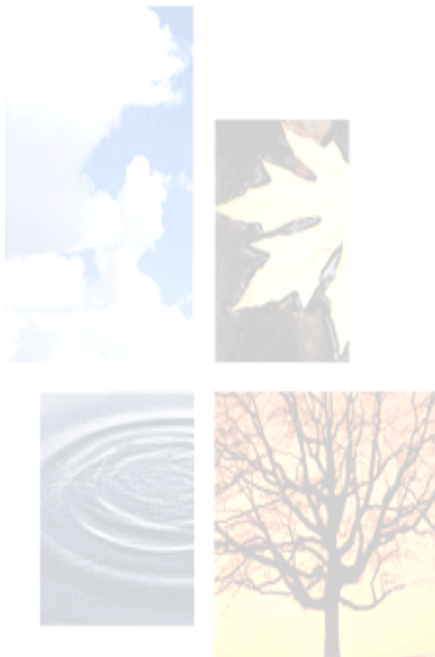
Time to change...

- We need to think of new, innovative ways to underwrite because...
 - It is expensive
 - It is time consuming
 - It is not always consumer friendly
 - New tools allow risk selection can be done in more efficient manners



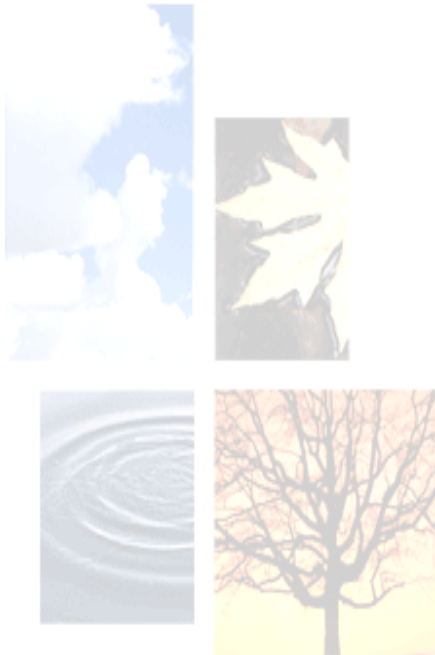
The Keys to Success

- Collect non-invasive information
- Collect it fast
- Promise and deliver on a fast turnaround and policy issue



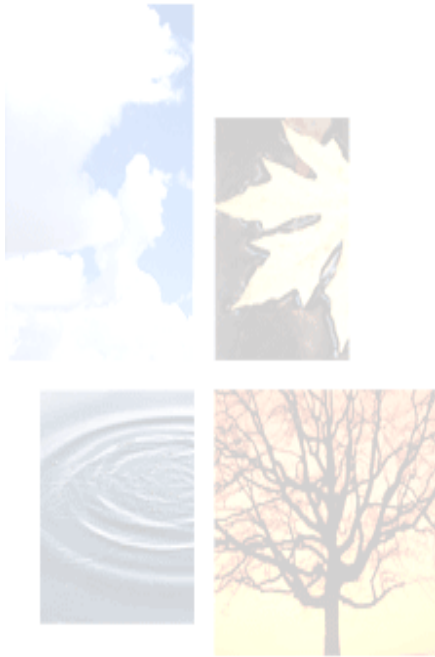
Tele-interview vs Application

- Both seek to gather risk related information
- Telephone interviews supplement an application
 - Focus on specific conditions or do generalized information collection
- Tele-underwriting (Ticket Model) virtually replaces the need for an agent to take an application



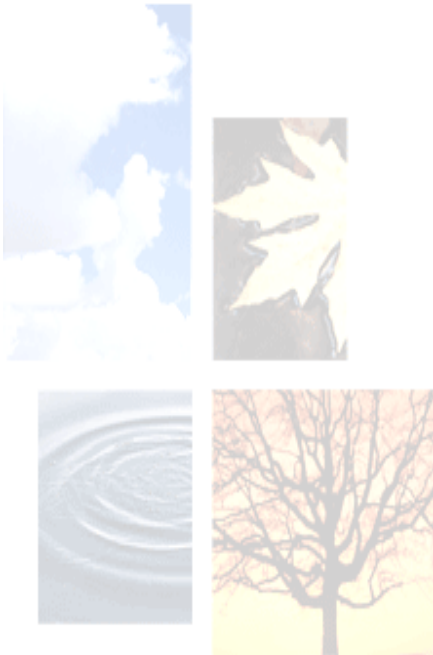
Ticket Model

- Agent collects policy specific data
- All other information is collected during the interview
- Information can be fed to company for evaluation
- Applications generated only on approved cases – interview summary always available



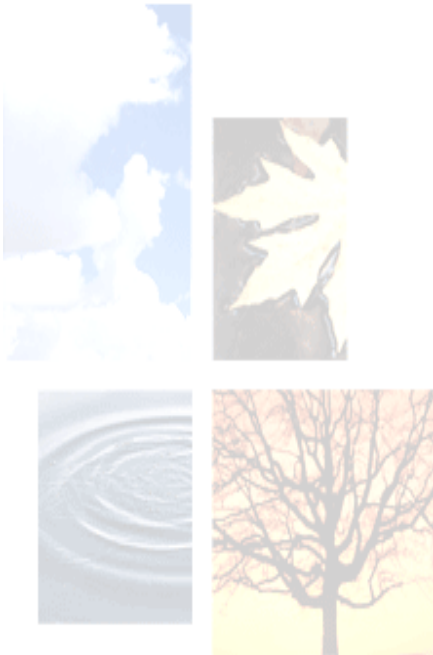
Why consider it...

- Segregates the sales and risk selection functions
- Lets sales agent do what they do best – advise and sell
- Lets the underwriting department gather the risk information
- Questions can be general or focused



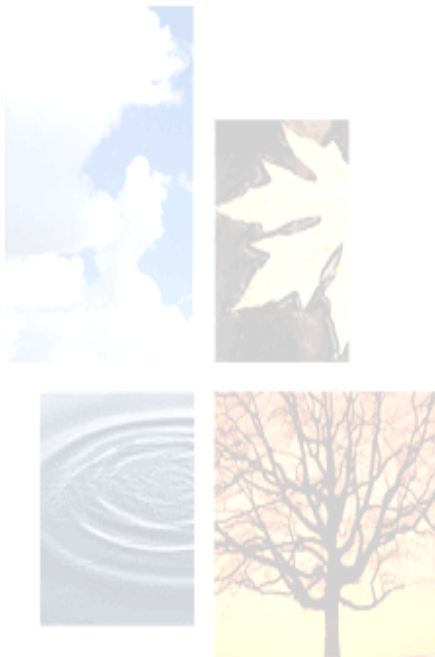
Data Collection

- Develop systems and tools that will allow all data to be captured in an electronic format
- Use this information to leverage information gathering



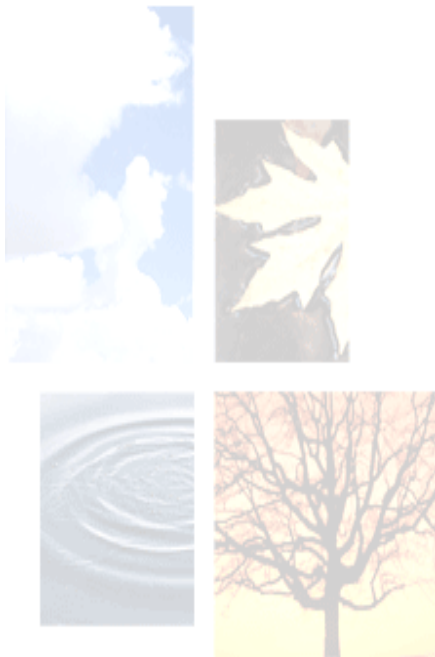
Considerations...

- Clear, frequent language regarding non-disclosure
- Make sure your questions are clear and the interviewer is trained to probe for details
- Electronic tools allow for integration and validation of data
 - Pharmacy data bases
 - Medical Information Bureau
 - Motor vehicle records
 - Credit bureaus
 - Laboratory data



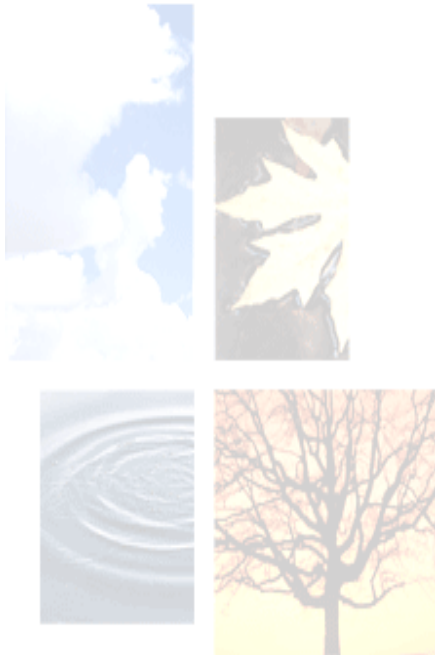
Risk Implications...

- Non-disclosure is reduced
- You can gather ‘supporting evidence’
- Calls are recorded – comprehensive audit trail
- Mortality/morbidity experience has been unaffected



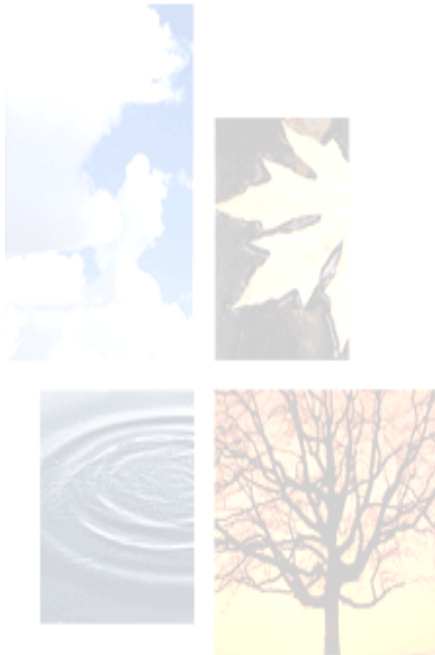
Mitigating Risks...

- Mandatory privacy checks in place prior to conducting interviews
- Recorded calls must be ‘vaulted’ for future retrieval



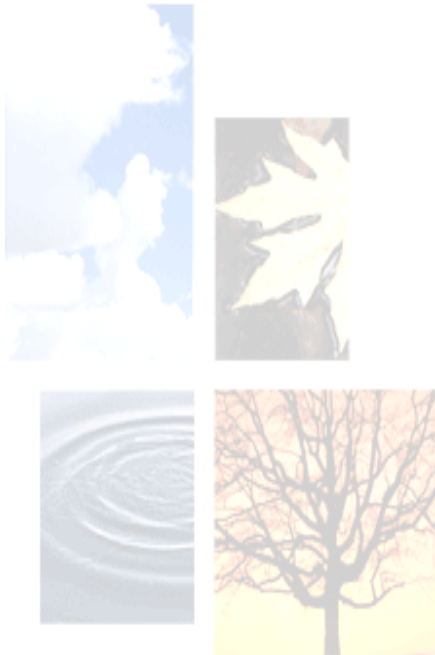
Interview Tools...

- Interviews have evolved from “one size fits all” to customized scripts performed by trained interviewers
- Information gathered can then be used to complete the state specific application forms
- Signatures can be gathered electronically or documents can be sent for wet sigs



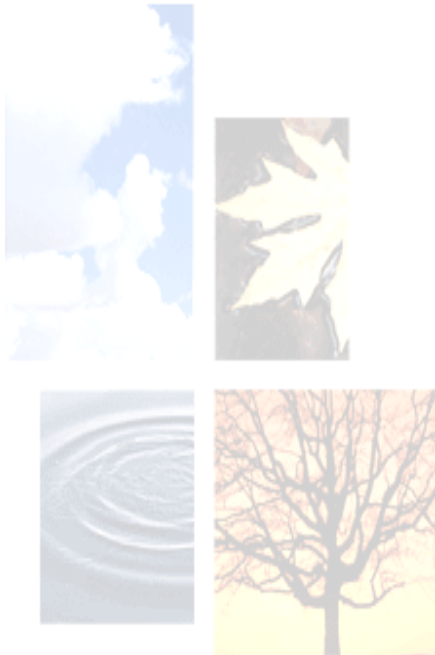
Benefits to be gained...

- Applicants are accepting of the process
- Reductions in cycle time
- Reduction in APS ordering
- Decreased buyers remorse
- Fewer incomplete applications
- Sales force loves it



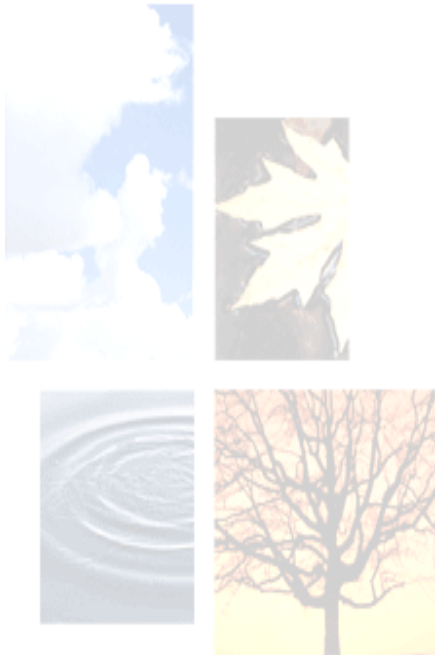
Sales Force Involvement

- Do it from the start
- Consult at all stages
- Understand the issues
 - Loss of control
 - Concerns about delays
 - Concerns about quality and customer experience



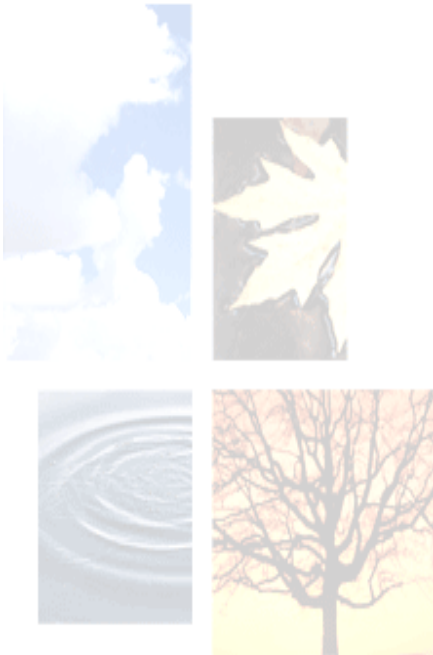
Sales Force Involvement

- Point out the benefits
 - Better quality process
 - Quicker turnaround
 - Earlier commission payments
 - Decreased buyers remorse
- Propose a pilot for “progressive” staff and use them to “spread the word”



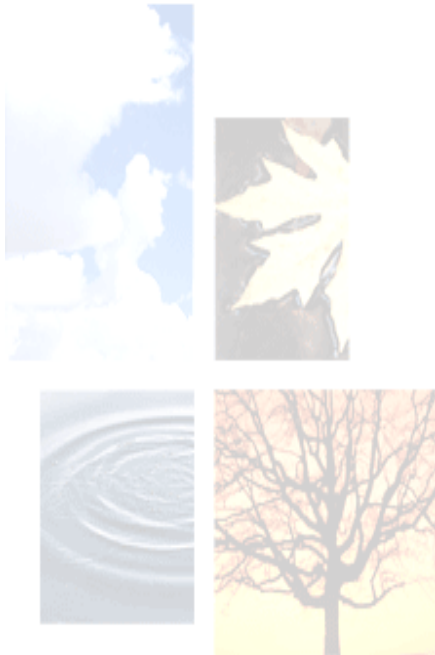
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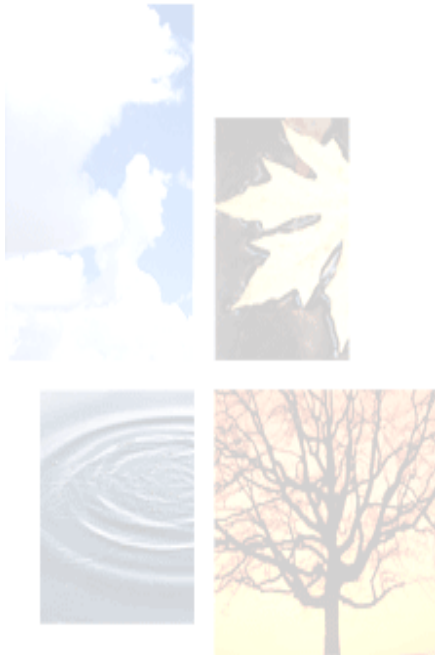
The Opportunity...

- It is new to some product lines...
- Removes the sales advisor influence
- It is not “going through an application” over the phone
- Risk selection can be done on better-quality information
- Tele-interviewing can yield a lot in terms of scope and detail



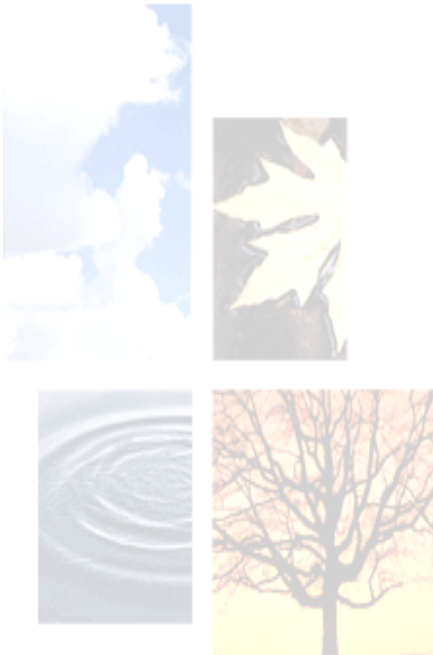
Some positives...

- Conflicting information is explored during the interview
- Notice regarding recording and unrushed process enhances “full disclosure”
- Turn around time can be decreased to 2-3 days in most instances



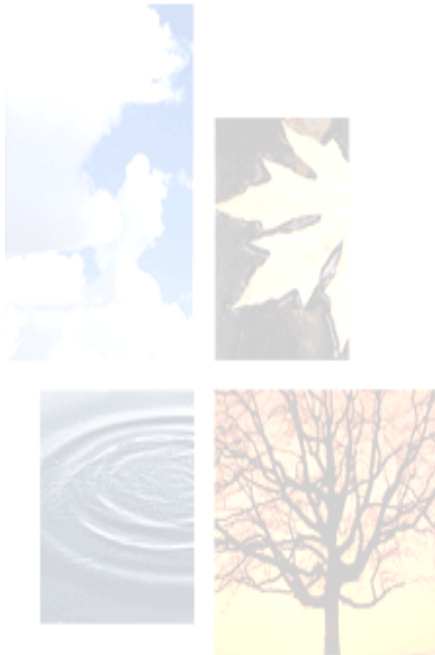
More positives...

- Eliminates “but I told my agent”
- Mis-rep decreases as customers tend to remember things in a more relaxed setting



Outcomes...

- Cycle times have been reduced by approximately 10 days
 - Ticket receipt to policy issue
- Process is expanding to all product lines to improve the applicant experience
- Involvement of sales is key to the success of the process



Questions???

