

TELEUNDERWRITING 2010

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www.insureintell.com

Definitions

- **Teleinterview** – gathering the risk history over the telephone in lieu of traditional methods (non-med, MD exam, paramedical)
- **Teleunderwriting** – the use of teleinterviews in risk appraisal
- **Drilldown** – additional questions in response to all **YES** answers on teleinterviews...to amplify the specific history acknowledged by the applicant

2009

SCOR Global Life Re

GLOBAL

TELEUNDERWRITING

SURVEY

- **70 Core Questions**
- **6 Continents**
- **7 Languages**
- **360 Global Respondents**
- **104 North American Respondents**

Why Teleunderwriting?

Mature Markets

Speed up app-to-issue

Reduce business acquisition costs

Reduce APS dependency

New Markets

Minimize agent involvement

Reduce nondisclosure/antiselection

Improve customer service

Is Teleunderwriting Being Used?

- **YES 64%**

- **NO**

 - Being piloted 3%**

 - Being considered 15%**

 - Not considered yet 14%**

 - Stopped 2%**

 - Rejected 2%**

- 43% have been doing teleunderwriting 6 or more years
- 12% take ALL histories via teleunderwriting
- 27% take MOST
- 61% take SOME

- 57% use teleunderwriting < age 18
- 83% after age 65
- 92% between ages 19 and 65
- 68% at ALL face amounts
- 59% REDUCED paramedical use due to teleunderwriting

APS Reduction?

- **None** **18%**
- **Increased Use** **5%**
- **Decreased < 10%** **27%**
- **Decreased 11-20%** **25%**
- **Decreased > 20%** **7%**
- **Unknown** **18%**

Why So Dismal?

#1 Underwriters reluctant to forego APS for concern over audit outcomes

#2 Disconnect between drilldown content and underwriting manuals

Cycle Time Reduction?

YES

63%

- > 10 days 8%
- 4 – 9 days 17%
- < 4 days 17%
- Yes – details unknown 21%

NO

32%

- No impact 18%
- Increased time 14%

UNKNOWN

6%

In-House or "Out-House"?

All outsourced	56%
Most outsourced	8%
All inhouse	27%
Most inhouse	8%
Split 50:50	1%

How Long to Completed Interview?

1 day	14%
2 days	18%
3 days	29%
4 days	9%
5 days or longer	25%
Unknown	5%

Who Does Your Interviews?

Call Center	59%
Underwriter	21%
Underwriter Assistant	11%
Nurse	3%
Other	6%

“Off-Script” Interviews

- YES – unscripted 5%
- YES – routinely 17%
- NO 78%

American outsourced teleinterview providers need to develop “off-script” capacity!

- **72%** do **NOT** seek client feedback on interview experience
- **89%** of companies who do so get positive feedback
- Clients **PREFER** teleinterviews as the mode of risk-history taking!

58%
of companies
now use
voice signature

Where are the
BEST
Outsourced Teleinterviews Done?

United Kingdom

- **90% done by nurses or underwriters working for outsourcing companies**
- **100% go off script**
- **Most advanced use of healthy habit questions**

Don't Ask? **Don't Tell!**

- Bidis, Beedies
- Cloves, Kreteks
- Hookah, Narghile, Water Pipe
- Betel nut

Assessment of cigarette smokers over age 50 should be augmented by **pack years of consumption.**

This is just starting to be done

**See my Pack Year essay at
www.cholhua.org**

Do you get more truthful answers on teleinterviews?

Tobacco

Everything Else

YES

76%

77%

NO

6%

14%

DON'T KNOW

18%

9%

Non-Medical Subjects Routinely Included

Aviation	79%
Avocations	76%
Occupation	73%
Foreign Travel	67%
Citizenship Status	59%
Military Service	35%
Financial	42%

Do your producers decide if a given application is submitted via teleunderwriting vs. traditionally?

YES

46%

NO

54%

**Do you permit your producer
to be present
during the teleinterview?**

YES

21%

NO

44%

NO POLICY

35%

Perceptions of Teleunderwriting

Underwriters

Medical Directors

Like

74%

49%

Tolerate

24%

12%

Unknown

2%

39%

% Liking Teleunderwriting

Claims VP	58%
Producers	29%*
Marketing VP	53%
Chief Actuary	56%
Top Management	71%

***only 11% hate it**

IMPACT on MORTALITY + MORBIDITY

Improved	20%
No effect	9%
Worse	1%
Too soon to say	41%
Do not know	29%

Rate Total Teleunderwriting Impact in Your Company

Very Successful	30%
Moderately Successful	56%
Moderately Unsuccessful	3%
Very Unsuccessful	1%
Too Soon to Know	10%

Predictive Modeling

The DARK Side

- How you spend your disposal income...as an underwriting criterion
- Using “social information” posted at sites like MYSPACE to underwrite risks

Rx Profiles

- **All prescriptions filled**
- **Up to 5 years of history**
- **Low cost**
- **Instantaneous access**
- **Can act without confirming results**
- **Use will be essentially universal in 2-4 years**

Resistance is Futile!

NT-proBNP

**...will be the
dominant screening tool
for CV Disease risk
at ages 55 and over**

- NT-proBNP
- Cystatin C
- HbA1-c
- Hemoglobin

**See my
definitive paper
on**

NT-proBNP

at

www.insureintell.com

Thank you for your kind attention

Live Long and Prosper!

Peace

Hank