



**2023 LIMRA
ANNUAL
CONFERENCE**

Forging the Future

**Underwriting
Transformation:
From Automation to
Intelligent Decision Making**



Navigate With Confidence





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OneAmerica



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Discussion Topics for Today

Key Takeaways



Understanding mortality experience of accelerated underwriting



Distribution expectations with regards to intelligent decision making



Governance and best practices for automation enabled transformation

Key trends to consider...

Coverage Gap

The life insurance ownership is at a 50-year low while there has been heightened awareness fueled by COVID

COVID-19 Impact

The pandemic showed the need for flexibility in managing UW guidelines and risk parameters

Changing Expectations

Customers are looking outside of insurance for best-in-class purchase experience

Accelerated Underwriting

Accelerated underwriting is no longer nice to have, it's table-stakes

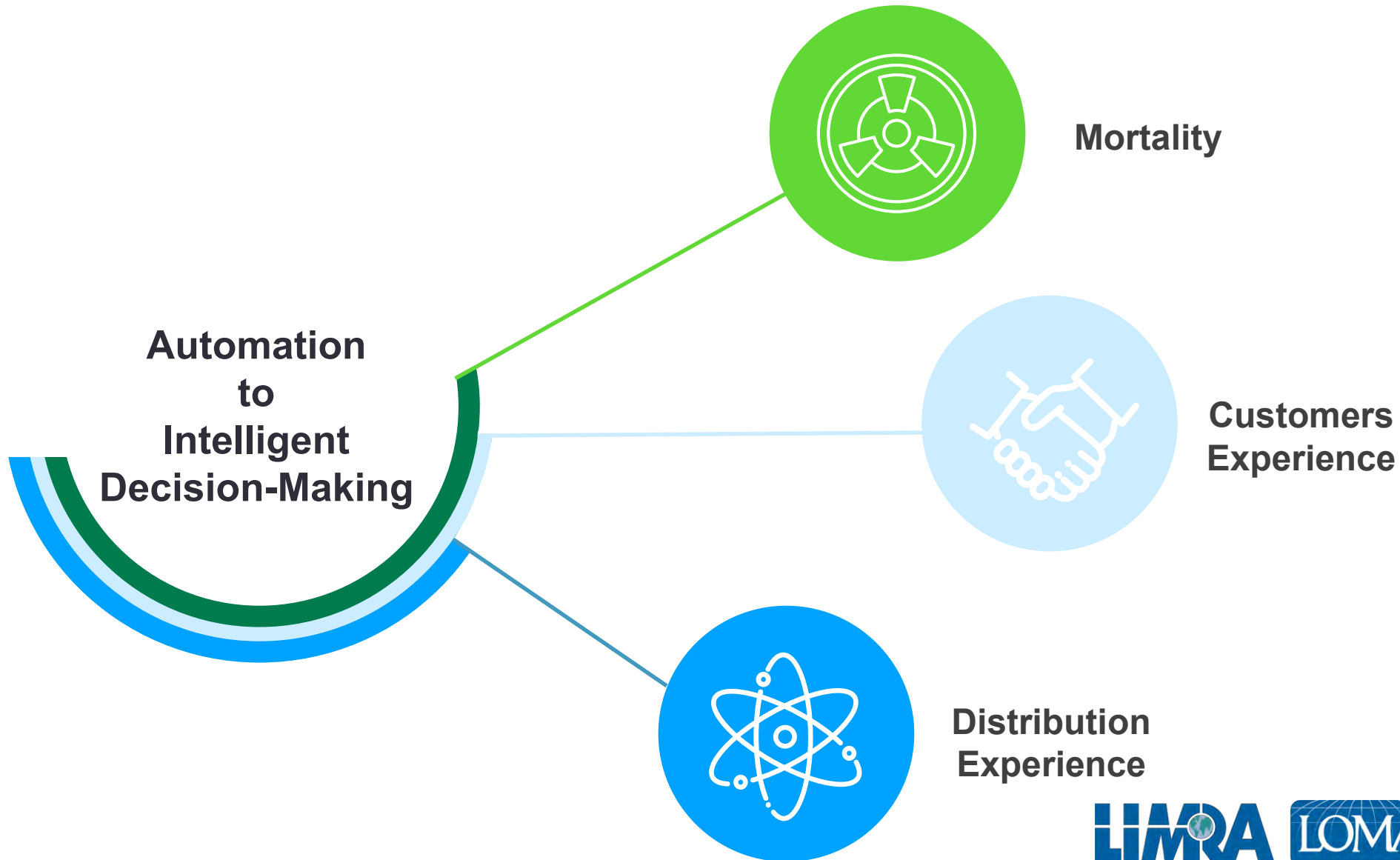
Third Party Data

Electronic health data used in lieu of traditional APS and Paramed to accelerate risk assessment and decisioning

Ecosystem Modernization

Significant investments in best fit solutions to modernize the technology, enable improved experience and scale

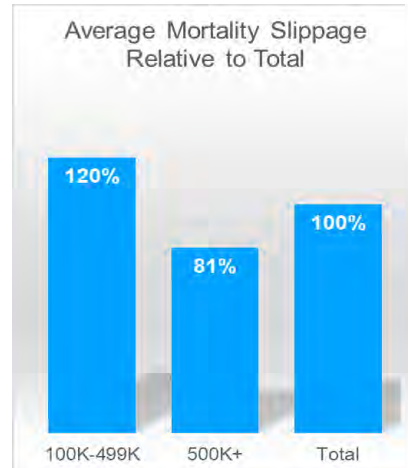
Key Considerations to be Discussed



Mortality Trends in Accelerated Underwriting

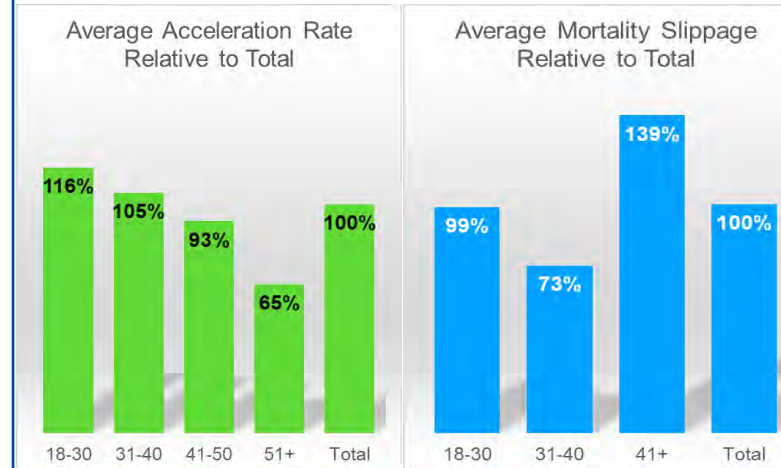
Face Amounts

- Most common max face is \$1M (over 40% of programs)
- Another 40% of programs have max face in the \$2-3M range, almost half with tiered age limits
- Very few over \$3M (<5%)



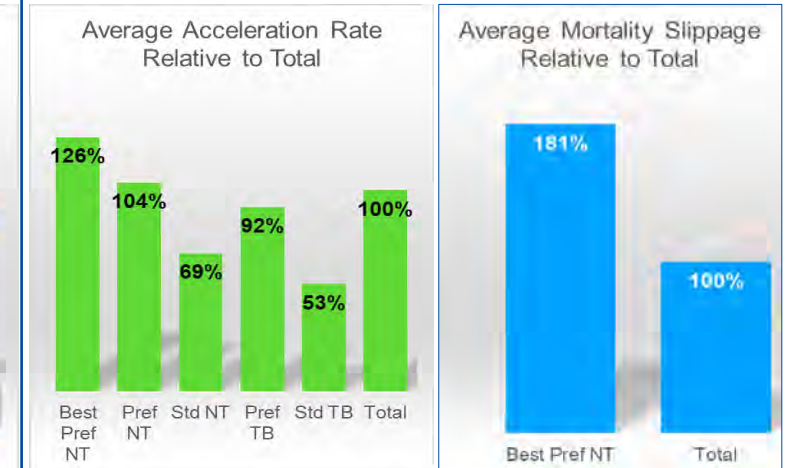
Issue Ages

- Age 60 most common (over 40%)
- About 90% of programs have max age at 60 or less
- Only a few programs go up to age 65
- Correlation between older ages and impairment prevalence

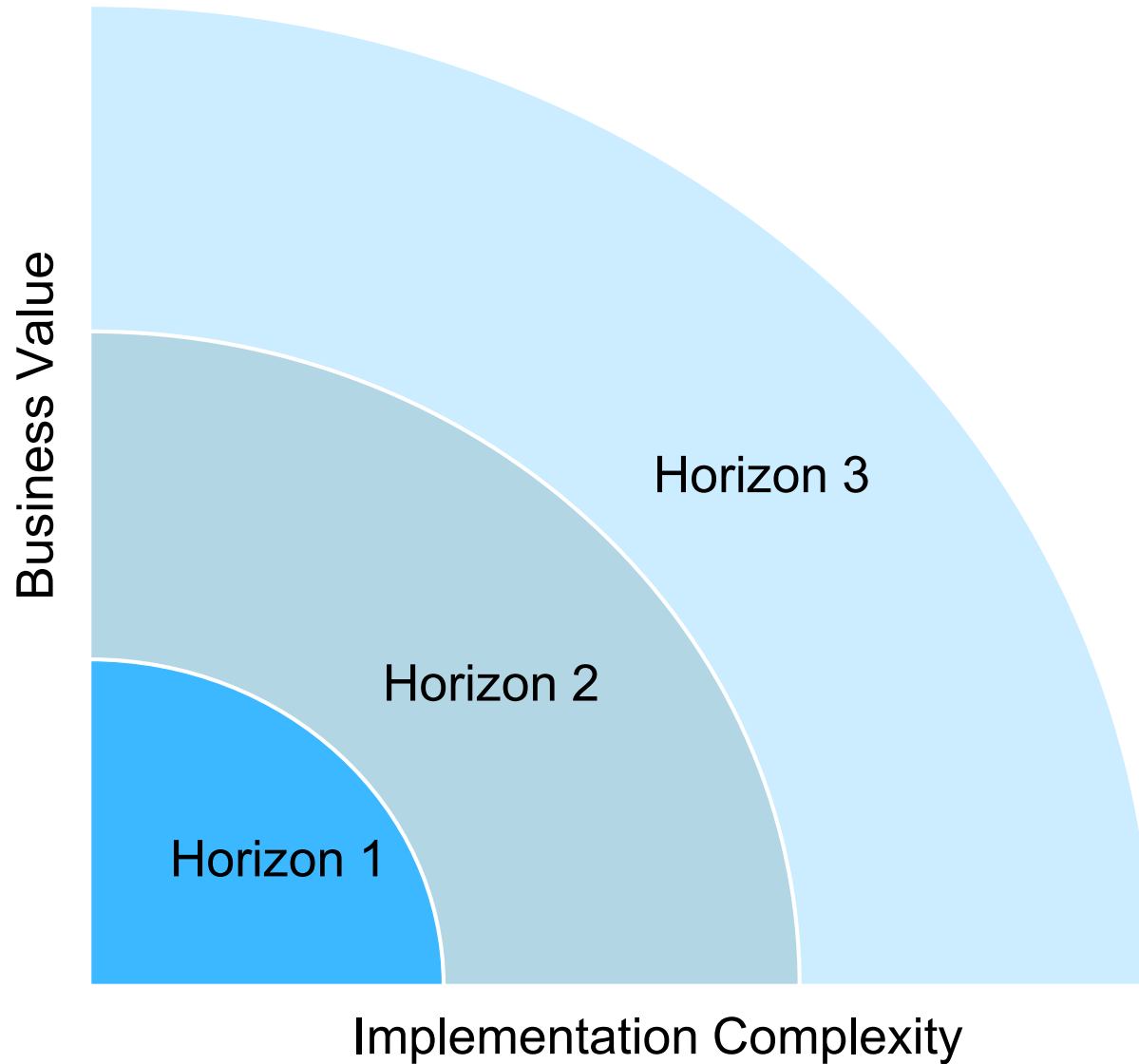


Risk Classes

- Started as preferred only, but much less common now
- All standard and better risk classes now most common
- Some programs adding substandard, typically in grouped substandard classes

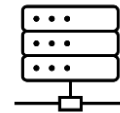


New Horizons Will Offer Increased Business Value



Horizon 1:

Invasive data sources
Manual risk assessments
Repetitive outreach to agents for information
Surface-level data & table shaving



Horizon 2:

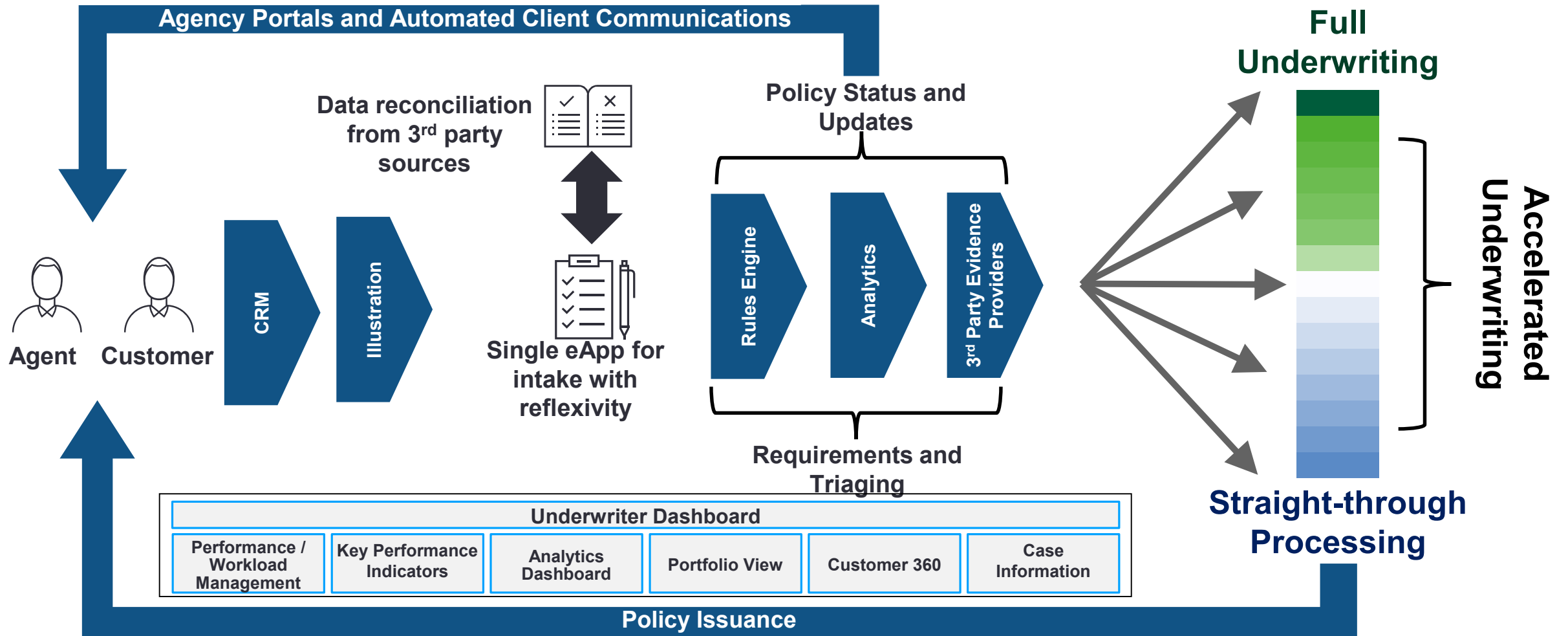
Automation, rules engines, work engines, and automated workflow
Accelerated underwriting
Automated ordering, automated communications



Horizon 3:

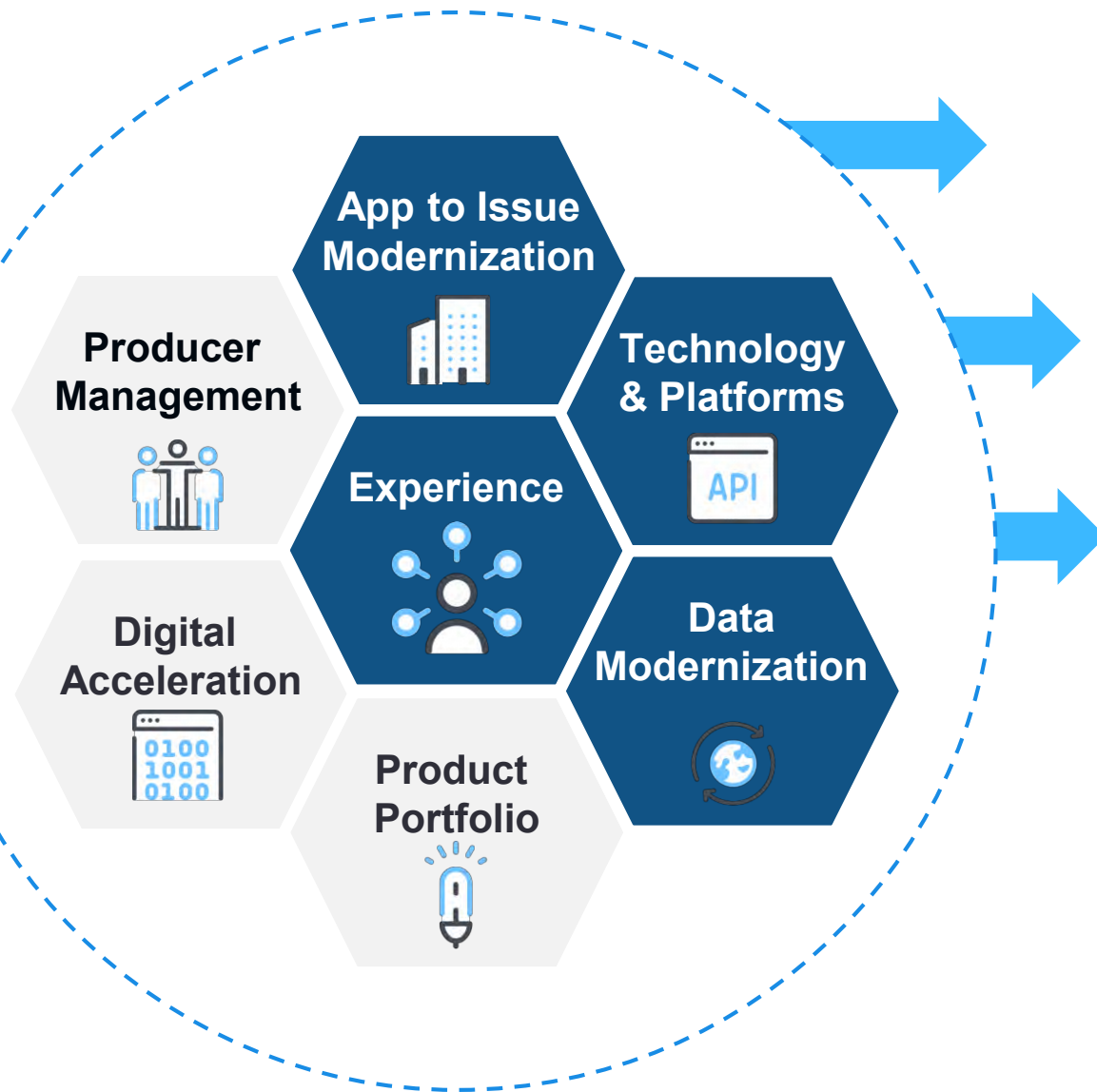
Predictive analytics and Generative AI
Analytics enables cross-selling
New data sources

Analytics and Automation Drive Data-Driven Decisions



Fast | Accurate | Customer Centric | Data driven

Transformation: The New Business/Underwriting Process



New Business Transformation Strategy

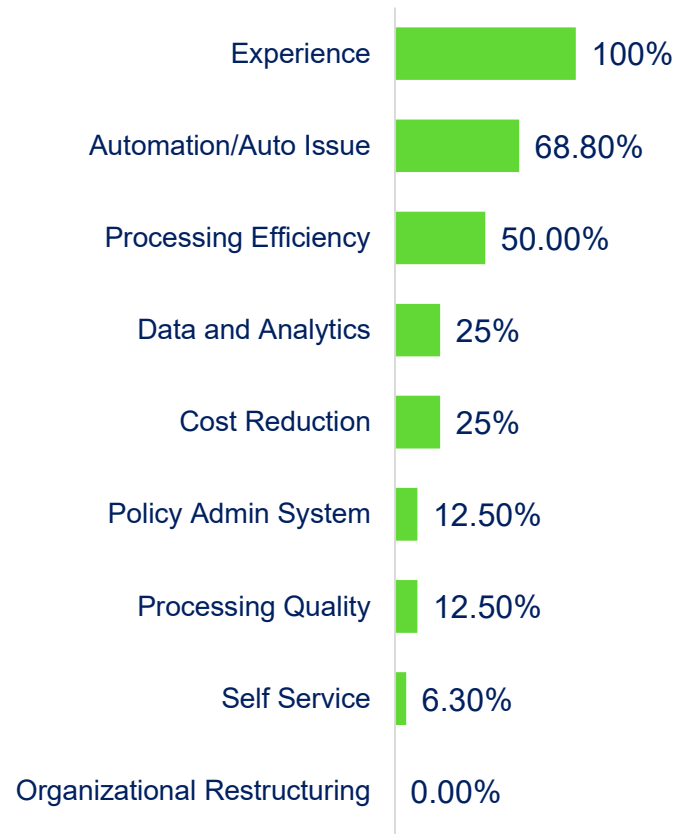
- ▶ Completed current state diagnostic and capability maturity assessment to identify capability gaps
- ▶ Defined and prioritized target state capabilities to achieve business outcomes
- ▶ Identified vendor solutions aligned to target state operating model (New Business / Acquisition)
- ▶ Developed implementation roadmap using Agile methodology (failed fast)
- ▶ Managed sprint plan across multiple vendors to achieve target Go-Live date

Key Learnings

1. Under-estimated multi-vendor dependencies
2. High complexity of legacy systems
3. Align vendor contracts with outcome-based goals
4. Maintain tight control over scope
5. Communication is key (up / down / across)

Survey Benchmarking – 2022 vs 2023

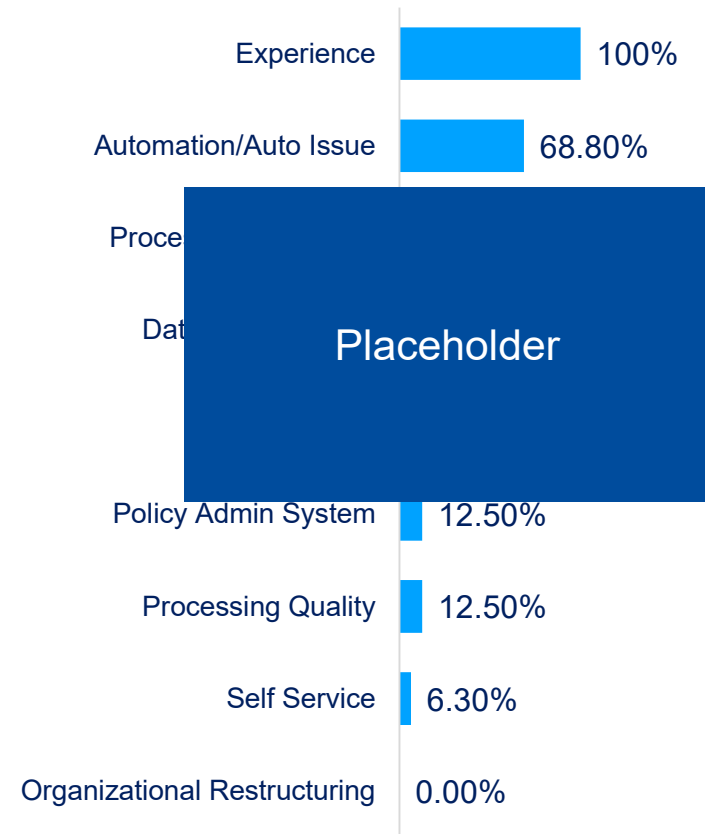
Top 3 Strategic Focus Areas to Improve Underwriting in 2022



Response selected by percentage of carriers

2022 2023

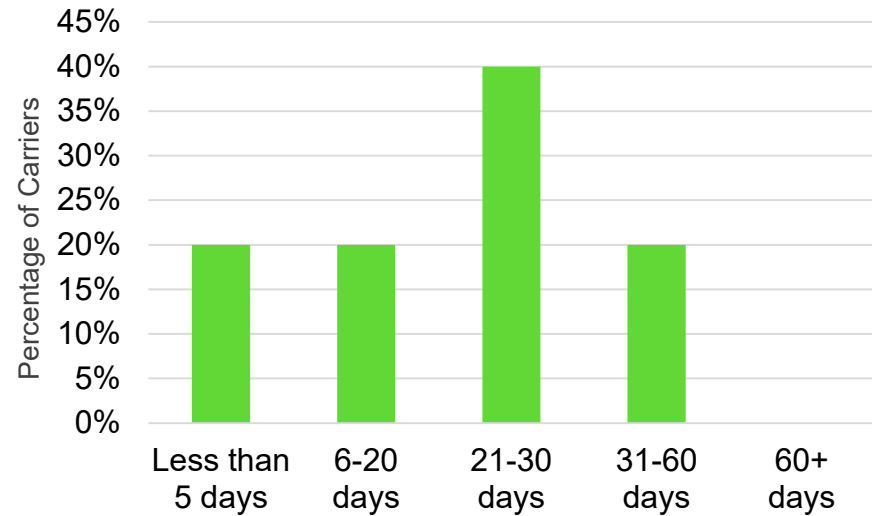
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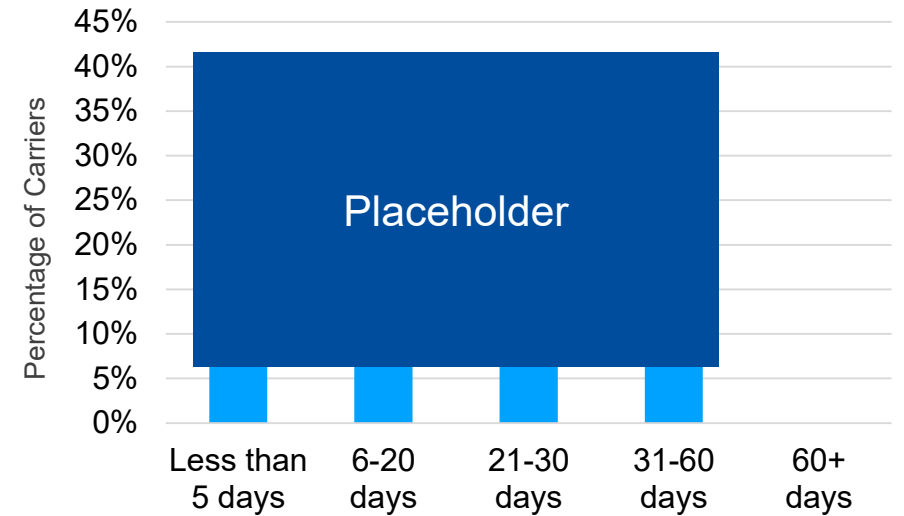
New Business Average Cycle Time



2022

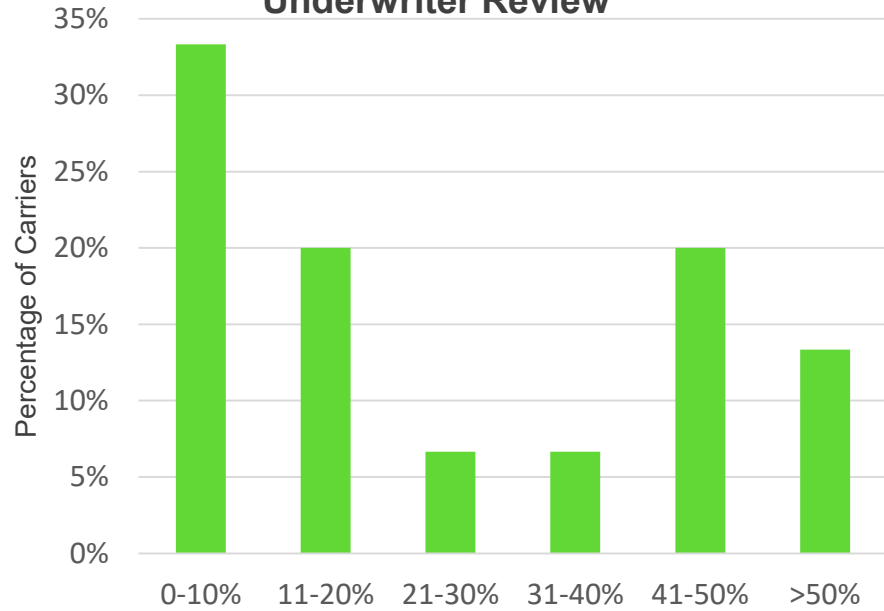
2023

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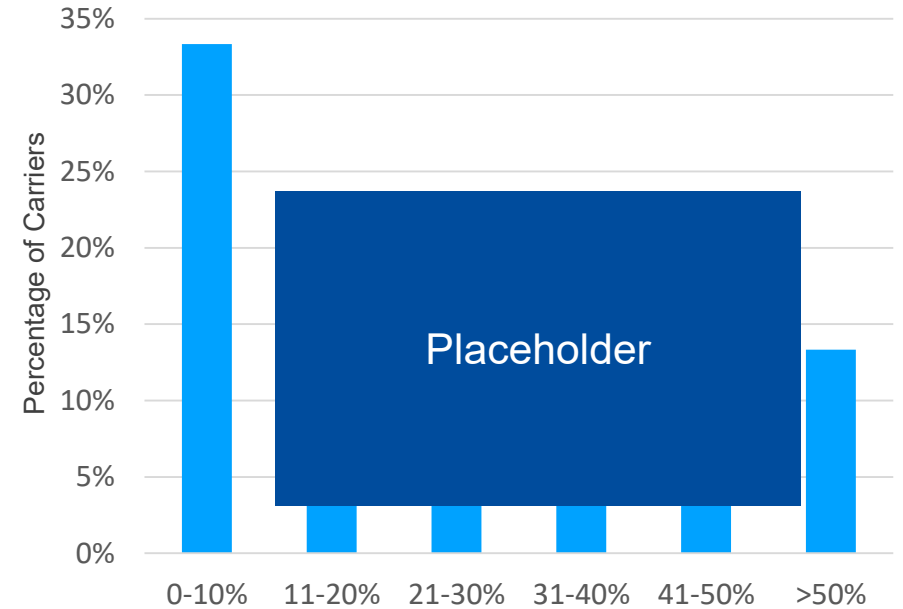
Percentage of New Business Applications Processed without Underwriter Review



2022

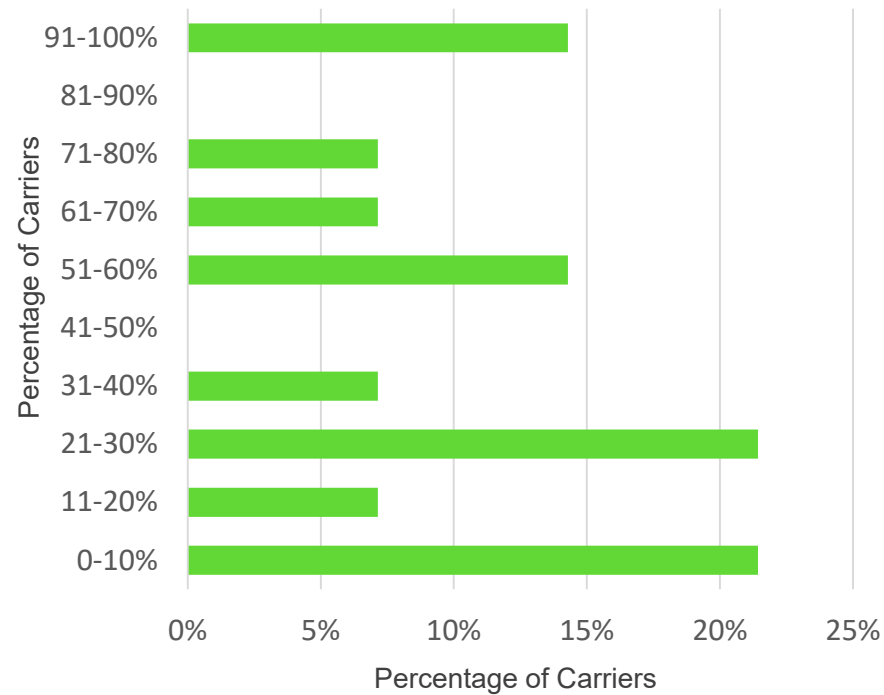
2023

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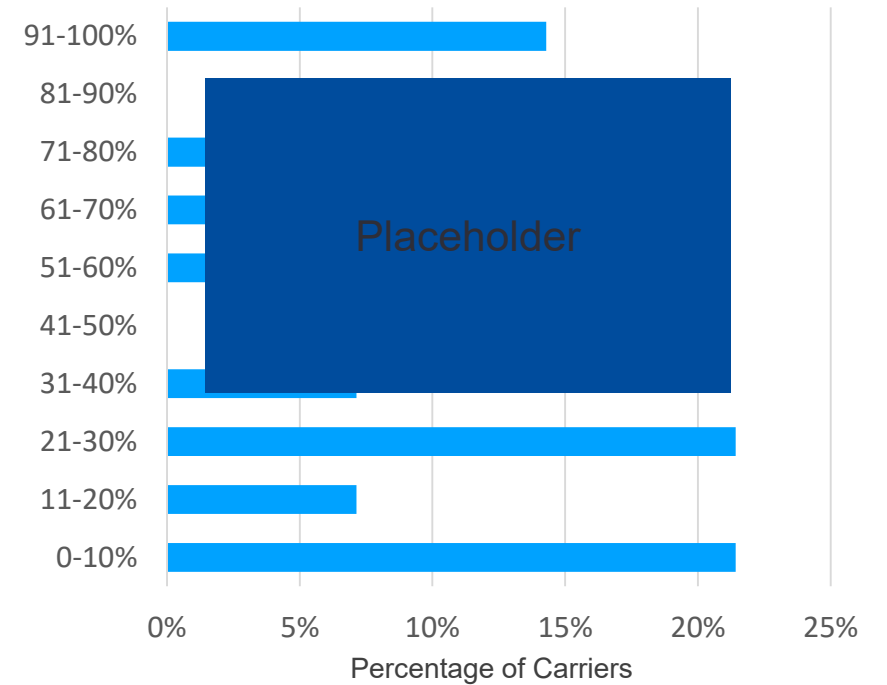
Percentage of Business that goes through Accelerated Underwriting



2022

2023

Percentage of Business that goes through Accelerated Underwriting



Survey Benchmarking – 2022 vs 2023

Third-Party Data Sources and Predictive Models Currently Used

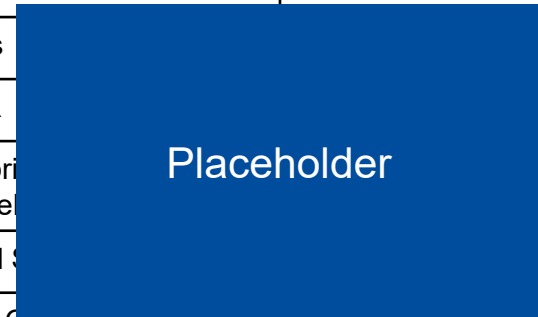
Data Source	% Used
MIB	92.9%
MVR	71.4%
Prescription Drug History	57.1%
Third Party Risk Score	50.0%
Labs	50.0%
EHR	42.9%
Proprietary Predictive Models	35.7%
Cred Score	28.6%
Med Claim History	28.6%
Third-Party Predictive Models	14.3%
Social Media Scans	7.1%
Genetic Testing	7.1%
Biometrics/Fitness Data	7.1%

2022

2023

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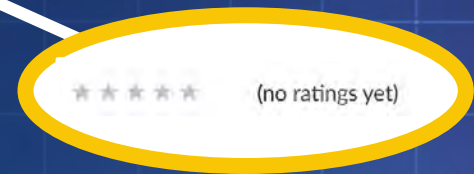
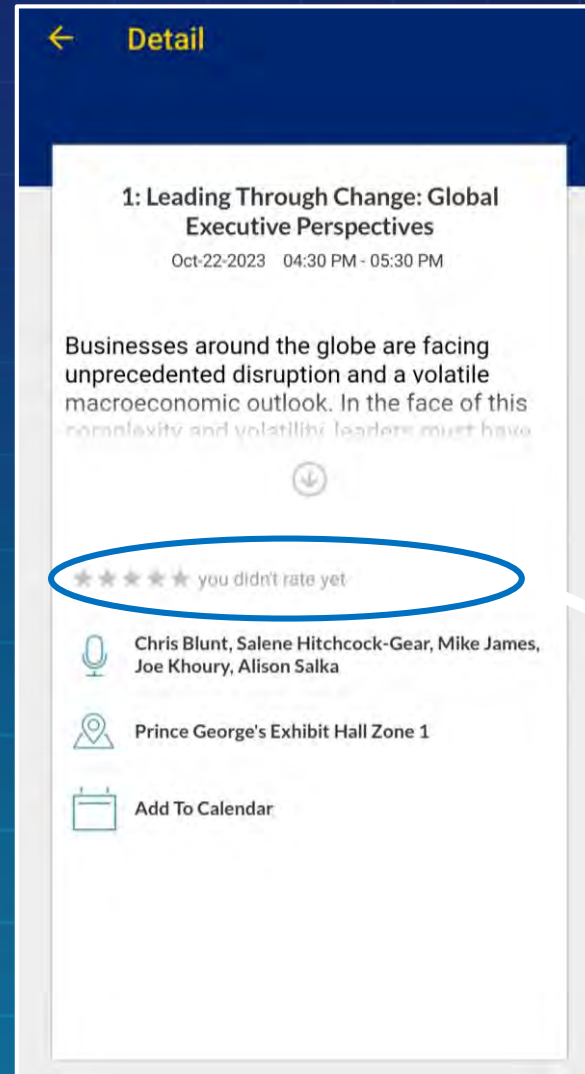
Placeholder

Please Provide Your Feedback on the Conference App

OPTION 1



OPTION 2



Thank You



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EY

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working world**