

# Underwriting



## **Actuaries & Underwriters – You Do That???**

**Tuesday, March 5, 2013 1:45 pm**

*Utilizing Technology and Balancing Risks*

**ILTCI**

13th Annual Intercompany Long Term Care Insurance Conference

1



Margaret Czellecz

Underwriting Director, *LifePlans* Inc.

Maureen Shaughnessy, FSA, MAAA  
Actuary, Northwestern Mutual

Amy Pahl, FSA, MAAA

Consulting Actuary, Milliman, Inc.

# Agenda



- Attempt to address YOUR questions of underwriters and pricing actuaries
- Prepared responses to pre-submitted questions
- Impromptu responses to questions raised today



## For the Underwriter

- How should we be underwriting younger applicants? Seems like some companies are moving toward life underwriting requirements.
- At what age does it make sense to vary underwriting practices and what data/information could/should that decision be based on?

## For the Actuary

- We are seeing younger applicants for LTC than we used to. Did you expect these individuals when you priced? Assuming so, how does pricing for the younger issue ages differ?



## For the Underwriter

- Do underwriters suggest lesser benefits (e.g. longer elimination periods, shorter benefit periods) in borderline cases?
- For what benefit levels does it make sense to vary underwriting practices and what data/information could/should that decision be based on?

## For the Actuary

- How do you price for all the possible age / benefit combinations (EP/BP/riders)?

# Pre-Submitted Questions: RATINGS



## For the Underwriter

- How many risk classes do underwriters believe is most effective?

## For the Actuary

- How do you price for different risk classes?



## For the Underwriter

- What is the value add of the prescription script or the face to face assessment?
- What can be done with someone who has not seen a doctor in the past couple years? What are the pros and cons of requiring a medical exam?

## For the Actuary

- What underwriting information/data that is not routinely captured would you find most helpful in pricing?



## For the Underwriter

- What kind of cognitive tests do underwriters do?
- If someone passes a cognitive screen but has other red flags (like concussion history) what do you do?

## For the Actuary

- Just how worried are you about cognitive claims?





## For the Underwriter

- What, if any, studies show how LTC underwriting has been effective in screening Diabetes or Coronary Artery Disease (CAD)?

## For the Actuary

- Seems like we are seeing a lot of claims due to Diabetes or cardiovascular disorders. Is that okay from a pricing perspective?



# Additional Questions / Discussion

Thank You for your Participation!