

Combo Products

Where is Underwriting Heading for Combination Products



17th Annual Intercompany Long Term Care Insurance Conference

The cast...



- Moderator:
 - Mark Mckeithen
 - Associate Director – IBAS Delivery
 - CapGemini

- Panelists
 - Arlene Hendricks
 - Senior Underwriting Director
 - Lincoln Financial
 - Denise Liston
 - Vice President, Insurance Services
 - LifePlans

Session Agenda



- State of the Industry
- Advancements in Life underwriting
- Advancements in LTC underwriting
- Cross Product Learnings
- Disclosure
- Social factors and wellness



- NAIC reports 2014 saw fewer than 15 carriers selling standalone/group traditional LTC products
- Fewer LTC insured lives in 2014 than in the peak of 2012
- Individual market sales in 2014 less than half their 1990 level
- Growth continues in the combination/hybrid product

* "State of Long Term Care Insurance: The Market, Challenges and Future Innovations", NAIC May 2016



- The past 5 years:
 - Electronic applications, Inspection reports and public data sources
 - Pharmacy checks
 - Lab Free underwriting
 - Automated underwriting with predictive analytics to reduce number of requirements
 - Elimination of EKG/Stress tests



- The past 5 years:
 - Electronic/Tele-applications
 - Rating classes
 - Pharma Checks
 - MIB
 - Paramed exams
 - Reflexive questionnaires
 - Public data sources



The focus for the years ahead:

- Data analytics
 - Machine learning and new data sources
 - Risk mitigation
- Enhanced Decision Making
- Holistic Views of Applicants
 - Incorporation of socioeconomic data
 - Public records
 - Motor vehicle
 - Financial
 - Occupation/Avocation



- The underwriter will be a:
 - Scientist
 - Innovator
 - Marketer
 - Customer advocate
 - Focus on health and wellness
- The outcome
 - Decreased underwriting time
 - Improved Risk Selection
 - Underwriter focus on complex cases

Cross Product Learnings



- Advances in healthcare are impacting morbidity and mortality
- IADL/ADL limitations impact mortality
- Cognitive Impairment impacts mortality
- Financial status
- LTC as an alternative to DI
- Focus on right data to assess risk

Are we getting all we need



- Intentional versus inadvertent non-disclosure
- Risk of anti-selection



- Dr. Craig Venter, whose team at Human Longevity Inc. is creating a comprehensive genetic database using large-scale computing and machine-learning
- Should there be more emphasis on current activity level, employment status and social engagement in assessing future risk



Questions