

# Speeding up Policy Form Drafting Filing and Approval An Oxymoron?

Society of Actuaries

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## “OXYMORON”

- Jumbo Shrimp
- Military Intelligence
- Efficient Government
- Marketing Actuary (???)

## OXYMORON (?)

Fast State Approvals

### Faster Forms Approval?

- No – Not Light Speed
  - ie., not as fast as marketing wants
- Yes! – It is possible to shorten the cycle
  - ie. Speed up the process

“Moreover, a survey of the 5 largest states in which life insurers do business shows that the average time for product approval ranges from 6 to 9 months,....”

Study Finds Strong  
Case for Federal Charter Option  
National Underwriter  
April 5, 2004

## Reasonable Expectations 54 Jurisdictions

- 50 States plus DC, GU, PR and VI
- Average Complexity Life Policy with Application and one or two riders
- Utilization of SERFF wherever possible
- Responses to questions and objections within 10 business days

## Reasonable Expectations

Days From First Filing	Approvals, including exempt from filing
15	12-14
30	17-20
45	26-29
60	32-35
90	37-42
120	41-46
150	46-51
180	49-54
240	54

## Project Management Process

Integrating Drafting and Filing

## Integrating into Process

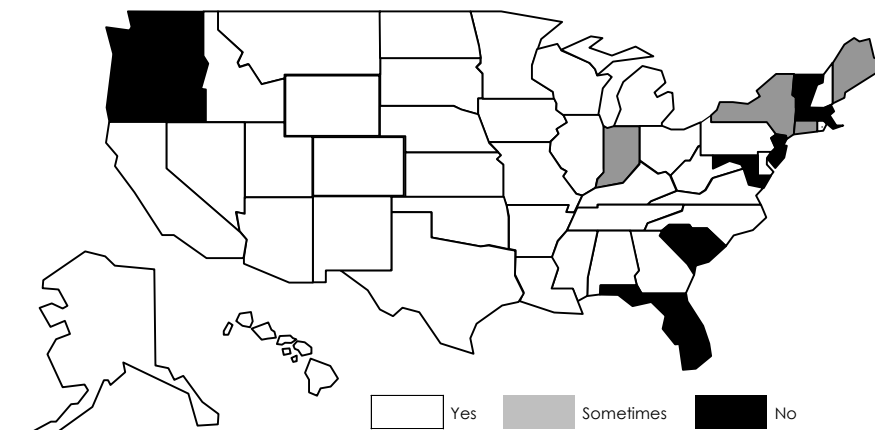
- Coordinate in development process
- Start Form Draft Early In Process
- Parallel processes - do two things at once

Consider the Future  
TODAY

## Make Full use of Schedule/Data Pages

- As much as possible on  
schedule pages
- Use Variable Information

## Use of Variable Information On Life Insurance Policies



Information based upon experience. No representations and/or warranties as to accuracy are given or implied.

4-15-04

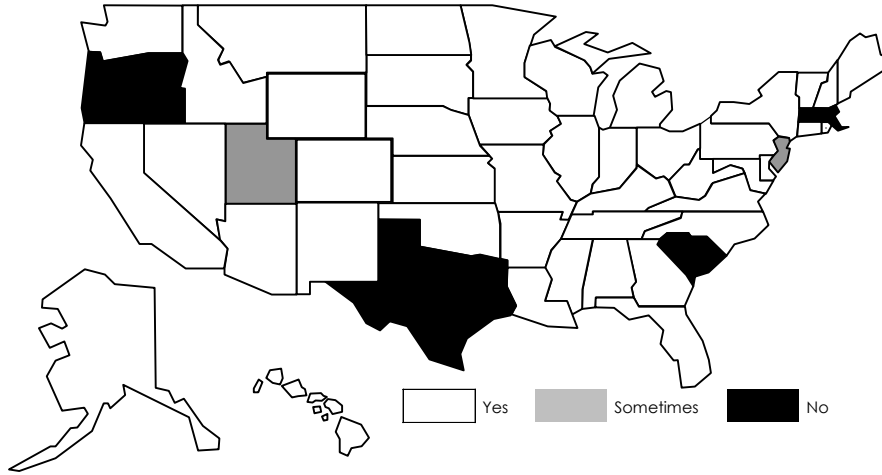
## Changing Variable Information

- No Filing Required
- Revised list of variable information
- Revised schedule page filing

## Make full use of Endorsements

- Advantages
- Disadvantages

## Use of Endorsement to Make Form Changes On Life Insurance Policies



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## Learn From The Past

- Don't Reinvent Each Time
- Use Tested Provisions
- Use Templates

# “Troublesome” States

## Outsourcing

- Benefits

- Managing the Vendor

## Reasons to Outsource

- Staying Current
- Economies of Scale
- Specialized Expertise
- Flexibility
- Experience

## Potential Problems with Outsourcing

- Lack of Direct Control
- Higher Identifiable (Direct) Costs
- Relationships

## Incorporate Vendor into Process

- Do your home work!
- Coordinate
- Actuarial Support
- Communicate, communicate,.....

## Managing the Vendor

- Responsibilities “in-house”
- Understand the Vendor
- Standards
- Regular Monitoring

## Technological Assistance

-SERFF

System for Electronic  
Rate and Form Filing

-Florida's I-File

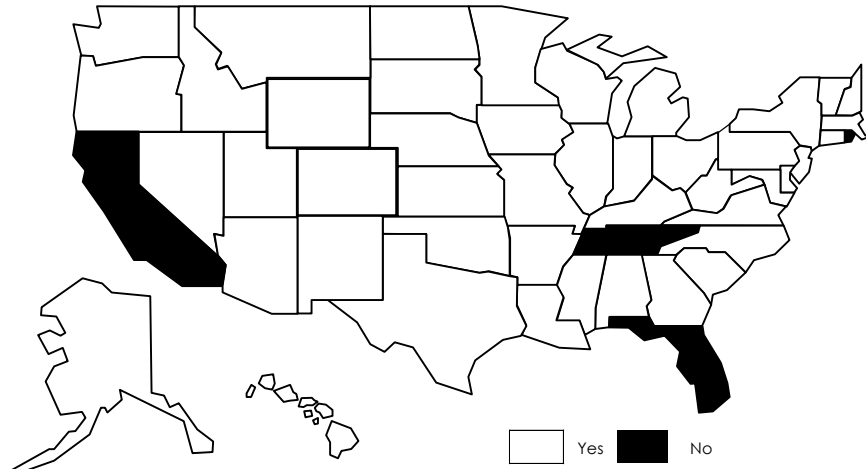
-Other ?

## SERFF

-47 State are accepting Life lines

-39 of those states accept all life  
lines

## Accepting SERFF Life Filings



Information based upon experience. No representations and/or warranties as to accuracy are given or implied.

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## SERFF Filing

- National Average: 20 Calendar Days
- Range: Same Day to 240+

# Other Ideas ?

## Speed to Market Initiatives

-NAIC

-Federal

-Industry Groups

-ACLI

-NAIFA

## Speed to Market Initiatives

### NAIC

- Alliance for Sound State Uniform Regulatory Efficiency (ASSURE)

### -Interstate Compact

- Adopted by CO, UT, WV

- Requires 26 states or states representing greater than 40% of premium volume

- Target to be operational 2008

## Speed to Market Initiatives Federal

- Optional Federal Charter

- Oxley-Baker “Road Map”