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Chairperson's Corner

By Kelly Rabin

Spring is the season of many professional conferences, and this year is no exception. I recently had the opportunity to attend the 2017 Life Insurance Conference in Orlando. This meeting is jointly hosted by LIMRA, LOMA, the Society of Actuaries and American Council of Life Insurers, and attracts professionals from a variety of backgrounds, not just actuaries. It is nice to get out of my day-to-day number crunching and gain a broader perspective about what is going on in our industry.

A theme across many of the sessions I attended was **disruption**. Dictionary.com says one definition of disruption is “a radical change in an industry, business strategy, etc., especially involving the introduction of a new product or service that creates a new market.” Why is there so much talk about disruption when we are still, by and large, selling the same products to the same people?

- **The Internet age and Big Data.** General consensus is that it is a matter of time before Amazon, Google, etc., get into the insurance business. People are afraid these beloved brands will beat us at our own game.
- **Generational changes.** The average millennial does not want to wait 50 days to get a policy when they are used to clicking “Buy Now,” not to mention needing to meet with an agent and a paramed in person.
- **Sustained low interest rate environment.** We can't afford to keep writing the same guaranteed products. How do we offer easy-to-understand products with high consumer value without putting the company at risk?

These are just a few examples of external forces that will cause disruption; I am sure you can think of many more! Let's not forget about principle-based reserves and the increasingly sophisticated modeling actuaries will be asked to do.

So what's a product actuary to do?

- As a wise man once told me, be a student of the business. Learn everything you can about what is going on in your company, other life companies and other industries altogether. Many concepts start elsewhere in the insurance industry (I'm looking at you, predictive analytics) before making their way to the life side.
- Collaborate with the non-actuarial areas of your company that are revamping processes, reaching new markets, etc. What product changes need to happen if we do things differently?
- Give yourself space for blue sky thinking. The true disruptors of our industry likely don't even exist yet. Can we disrupt ourselves instead?

While I look forward to buying life insurance from my self-driving Uber someday, for now I'll settle for being able to pay my premium online. After all, a worthy goal of innovation is to make peoples' lives better. ■



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