



SOCIETY OF ACTUARIES

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Small Talk

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Smaller Insurance Company Section: 2012 Health Survey

By Joeff Williams

“It is health that is real wealth and not pieces of gold and silver.”—Mahatma Gandhi

“The health of the eye seems to demand a horizon. We are never tired, so long as we can see far enough.”—Ralph Waldo Emerson

Recently, the Smaller Insurance Company Section (SmallCo) conducted a member survey to better understand the issues of importance to our members who serve in the health area. The responses included a variety of comments and thoughts. When I was chairperson of SmallCo in 2010, we were unclear about the best way to support our health members. This continued to be an issue; so in December 2012 we decided to survey our members to get their input, and we thank all those who responded to the survey so that the council can better understand your needs.

There were 33 respondents out of 173 members surveyed (SmallCo has 551 members total)—a 19 percent response rate. This is a good response rate, which attests to the enthusiasm of the SmallCo membership. Even though the majority of the membership has identified with the life area, as the quotation above reminds us, practicing in the health field “it is health that is the real wealth.”

I first want to thank Dan Durow for his work in organizing the survey. One of the challenges encountered with the survey was defining the pool of recipients. The recipients were members who listed “Health” as a primary area of practice or listed any of the following as an additional area of practice: (1) Long-Term Care, (2) Health Benefits Systems or (3) Managed Care.

The survey had five questions, and a comments, suggestions or ideas section. The first question focused on what motivated the respondent to join SmallCo. The majority of respondents replied that they worked for or consulted with what they defined as smaller insurance companies and that they wanted to keep up-to-date on the current issues facing smaller insurance companies. Some of the issues articulated in the responses included: (1) ongoing Affordable Care Act (ACA) updates; (2) pricing, valuation and reinsurance issues; and (3) unique business challenges facing smaller insurance companies. The question was also raised about how to look at the continued viability of smaller companies competing in the health insurance market.

The next two questions asked respondents to highlight their likes and dislikes about SmallCo.

This is always a good way for the council to identify what things it can improve on to better meet members’ needs. The overwhelming response to what they liked about SmallCo was how the council focused on and dealt with relevant and real-world issues. The council does a good job of staying on top of current

issues and letting members know what they need to do their job in an everyday environment. Responses to the areas to improve question were fewer but consistently expressed a desire to focus on health matters in addition to the life issues. This is a challenge the council recognizes, and it will be looking at how to use the survey responses to better address that area.

The last question asked respondents to identify whether SmallCo is meeting their needs and expectations. It was encouraging to see that 90 percent of respondents said “Yes.” That still leaves 10 percent who need to be rec-

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ognized and to address how to improve the value of their membership.

To address some of these challenges, SmallCo has a buzz group session planned at the Society of Actuaries' Health Meeting in June. That buzz group will be an opportunity to talk specifically about current issues facing health actuaries who are working in or consult for smaller insurance companies. Also, SmallCo has planned a webinar in June that will focus on regulatory issues for smaller companies. One of the topics could be centered on health regulations such as ACA and/or rate regulations that may impact not only large companies, but even some small companies. There is also work being done on new morbidity studies that can be reviewed to evaluate their possible impact on smaller insurance companies.

The challenge the council faces is how to recognize the needs of a subsection of the membership while engaging the volunteer resources needed to contribute to those members in their everyday work demands. The continuing issue of competitiveness and viability of smaller insurance companies in the health market will be an issue that the council will need to consider with respect to the health membership.

If you did not have a chance to participate in the health survey, have any additional thoughts or suggestions, or would like to volunteer to help the council serve the health membership within SmallCo, please feel free to contact myself or Dan Durow at dtdurow@nglic.com. ●

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Webcast Date:
March 19

Sign-up Deadline:
March 15

Professional Guidance Webinar—You Don't Want to Miss It!

The Smaller Insurance Company Section had a great attendance at its variety of webinars in 2012. The section is keeping up that positive momentum with another group of important, thought-provoking events.

The first in the line-up is "Professionalism—Modeling for Small Companies." This webcast will discuss the evolution of current life insurance and annuity modeling practices and explore key emerging issues that small company actuaries face with respect to modeling.

Check SOA's Professional Development Calendar at <http://www.soa.org/PDCalendar.aspx?type=session> for these other important webinars sponsored by the SmallCo Section.

Regulatory Issues for Small Companies—June 4, 2013.
Overview of PBR for Small Companies—Aug. 20, 2013
Financial Reporting Issues and Considerations for Year-End 2013—Dec. 10, 2013