

## Life Insurance Utilization of Automated Underwriting Systems

Thank you for participating in the Society of Actuaries' study of automated underwriting system utilization by life insurers. The survey should take less than **20 minutes** to complete for companies using these systems, and only a couple of minutes for those who are not.

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**1) Name**

**2) Position**

**3) Company/Organization**

**4) Does your organization currently, or plan to in the future, utilize an automated underwriting system for life insurance applications?**

**These are technology solutions designed to process and interpret data traditionally viewed by underwriters. They seek to reduce the manpower and/or data necessary to underwrite a life insurance application.**

**(Responding "Yes" will lead to the full survey, while responding "No" or "Not currently" will lead to an abbreviated version.)**

- Yes
- Not currently, but considering
- No, and no plans to do so in the future

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## Life Insurance Utilization of Automated Underwriting Systems

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5)

**Please rate the importance of the following objectives your organization may seek to accomplish by utilizing an automated underwriting system.**

	1 (not important)	2	3	4	5 (very important)
Reduce underwriting costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decrease underwriting time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensure underwriting consistency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minimize invasiveness of underwriting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enter a new distribution channel/market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Additional comments:

**6) How many years has your organization used an automated underwriting system for life insurance applications?**

<1  1-2  3-5  5-10  10+

7)

**Please rank the top three factors used to select the current automated underwriting system.**

- 1)
- 2)
- 3)

**8) If "Other" please specify**

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## Life Insurance Utilization of Automated Underwriting Systems

**9) Automated underwriting systems come in many varieties. To help characterize the system used by your organization, please select which elements it employs for life insurance applications. (Select all that apply)**

- Rules-based engine that automates existing underwriting guidelines and processes
- Rules-based engine using vendor underwriting guidelines
- Predictive model driven by data mining and analytics
- Outsourced underwriting (i.e. underwriting information processed by vendor and decisions returned, limited opportunity for review by insurer)
- Other (please specify)

If you selected other, please specify:

**10) Please select which capabilities the automated system has for life insurance applications. (Select all that apply)**

- Reduces the amount of underwriter time required to make underwriting decisions
- Reaches underwriting decisions without underwriter involvement
- Recommends underwriting decisions for underwriter review
- Application medical questions completed by someone other than agent/applicant (e.g. tele-interviewer or paramed examiner)
- Reduces requirements ordered compared to traditional underwriting process
- Supports automated data feeds
- Other (please specify)

If you selected other, please specify:

**11) What type of data does the automated underwriting system utilize, and how is that data loaded into the system? (Select all that apply)**

	Manual Input	Partially Automated Data Feed	Fully Automated Data Feed
Traditional application / Paramed report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reflexive application with drill-down	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lab results / Physical measurements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attending physician's statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Medical exam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional medical requirements (e.g. EKG, stress test, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MIB	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MVR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electronic Rx profile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other third-party data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional comments:

**12) How much drill-down capability exists in the reflexive application? Select the approximate total number of follow-up questions that can be triggered (including follow-ups to an initial drill-down question).**

- NA  1-10  11-30  31-60  61-100  101+

## Life Insurance Utilization of Automated Underwriting Systems

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**13) Into which risk classes/application status can the automated underwriting system assign life insurance applicants? (Select all that apply)**

- Ultra Preferred (or equivalent)
- Preferred
- Standard
- Substandard
- Decline

**14) Of the life insurance applications upon which it is utilized, please specify the approximate percentage where the automated system:**

- reaches a final underwriting decision without underwriter review
- recommends an underwriting decision for an underwriter to review
- is unable to reach or recommend an underwriting decision (due to data errors, complexity, or otherwise)

**15) In addition to making or recommending underwriting decisions, does the automated underwriting system manage the underwriting work flow?**

- Yes
- No
- Not Sure

**16) If the automated system is unable to reach or recommend an underwriting decision, does it still manage the work flow?**

- Yes
- No
- Not Sure

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## Life Insurance Utilization of Automated Underwriting Systems

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17)

**With which distribution systems and life insurance product types is your organization using the automated underwriting system? (Select all that apply)**

	Term Life	Permanent Life
Independent agents	<input type="checkbox"/>	<input type="checkbox"/>
Captive agents	<input type="checkbox"/>	<input type="checkbox"/>
Brokerage/General Agents	<input type="checkbox"/>	<input type="checkbox"/>
Financial Institutions	<input type="checkbox"/>	<input type="checkbox"/>
Internet	<input type="checkbox"/>	<input type="checkbox"/>
Direct response with tele-underwriting	<input type="checkbox"/>	<input type="checkbox"/>
P&C agent	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>

Additional comments:

**18) Please rate the importance of the automated underwriting system for each market segment in which your organization operates.**

	1 (not important)	2	3	4	5 (very important)	NA
Low face amount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Middle market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mass affluent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High net worth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senior (preneed)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senior (general)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Small business owner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional comments:

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## Life Insurance Utilization of Automated Underwriting Systems

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**19) Approximately what percentage of life insurance applications received by your organization are sent through the automated underwriting system?**

1-10%  11-20%  21-30%  31-40%  41-50%  51-60%  61-70%  71-80%  81-90%  91-100%

**20) Approximately what percentage of life insurance applications received by your organization 5 years ago were sent through the automated underwriting system?**

NA  1-10%  11-20%  21-30%  31-40%  41-50%  51-60%  61-70%  71-80%  81-90%  91-100%

**21) What criteria (if any) are used to restrict which applications for TERM LIFE are processed by the automated underwriting system?**

Maximum Age (years)

Minimum Age (years)

Maximum Face Amount (\$1,000s)

Minimum Face Amount (\$1,000s)

Exclude Certain Distribution Channel(s) (please specify)

Other (please specify)

**22) What criteria (if any) are used to restrict which applications for PERMANENT LIFE are processed by the automated underwriting system?**

Maximum Age (years)

Minimum Age (years)

Maximum Face Amount (\$1,000s)

Minimum Face Amount (\$1,000s)

Exclude Certain Distribution Channel(s) (please specify)

Other (please specify)

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## Life Insurance Utilization of Automated Underwriting Systems

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**23) Has your organization studied the efficacy of the automated underwriting system in selecting mortality risks?**

- Yes, both quantitatively and qualitatively
- Yes, only qualitatively
- Yes, only quantitatively
- No

**24) Would your organization be willing to share the results of these studies for an anonymous mortality experience study to be conducted by the SOA?**

- Yes
- No
- Potentially (please comment)

Additional comments:

**25) Does your organization have access to data to which could contribute to a quantitative study of the efficacy of mortality risk selection by automated underwriting systems?**

- Yes
- No
- Not Sure

Additional comments:

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## Life Insurance Utilization of Automated Underwriting Systems

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**26) Approximately how much data does your organization possess to study the efficacy of the automated underwriting system quantitatively?**

Approximate years of experience data with automated system

Approximate number of policies per year underwritten by automated system

**27) Would your organization be willing to contribute this data to an anonymous mortality experience study to be conducted by the SOA?**

Yes

No

Potentially (please comment)

Additional comments:

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## Life Insurance Utilization of Automated Underwriting Systems

**29) Approximately how long did it take to implement the automated underwriting system? (From selecting the system to going live)**

0-1 year
  1-2 years
  2-3 years
  3-5 years
  5+ years

**30) Please rate the following potential implementation challenges based upon significance.**

	1 (not a significant challenge)	2	3	4	5 (very significant challenge)
Incorporating into current business processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gaining confidence in the accuracy of the system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing cultural change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Meeting compliance standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Satisfying technical requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional comments:

**31) Please rate the receptiveness of each of the following stakeholder groups with respect to implementing and using the automated underwriting system.**

	1 (not receptive)	2	3	4	5 (very receptive)	NA
Marketing and Distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Underwriting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Actuarial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal/Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senior Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinsurers (that are not the vendor of the UW system)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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## Life Insurance Utilization of Automated Underwriting Systems

32)

Please rate the effectiveness of the automated underwriting system in meeting each of the previously stated objectives.

	1 (not effective)	2	3	4	5 (very effective)	NA
Reduce underwriting costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decrease underwriting time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensuring underwriting consistency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minimize underwriting invasiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enter a new distribution channel/market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Additional comments:

33) What drawbacks (if any) does your organization believe accompany use of the automated underwriting system? (Select all that apply)

- Cultural resistance
- Costly/time consuming implementation
- Legal/compliance issues
- Unproven processes/technology
- Opacity of underwriting process
- Failure to achieve efficiency objectives
- Other (please specify)

If you selected other, please specify:

34) Please rate your organization's overall satisfaction with the automated underwriting system.

- 1 (not satisfied)  2  3  4  5 (very satisfied)

35) What are your organization's future plans for utilizing automated underwriting systems?

	Decrease usage	Maintain current usage	Increase usage
With current system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
With a different system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

36) Approximately what percentage of life insurance applications received by your organization would you ideally like to see processed by the automated system in the future?

- 0-10%  11-20%  21-30%  31-40%  41-50%  51-60%  61-70%  71-80%  81-90%  91-100%

37) Given the chance to start over with automated underwriting systems, would your organization:

- Select the same system?
- Choose a different system?
- Not pursue an automated underwriting system?

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## Life Insurance Utilization of Automated Underwriting Systems

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38)

Although your organization does not currently use an automated underwriting system, the SOA is still interested in your viewpoint on several issues related to their use. Please answer the following two questions and then press "Next Page" to complete the survey.

Please rate the following potential objectives based upon importance to your organization.

	1 (not important)	2	3	4	5 (very important)
Reduce underwriting costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decrease underwriting time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensure underwriting consistency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minimize invasiveness of underwriting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enter new distribution channel/market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Additional comments:

39)

Please rate the importance of the potential reasons why your organization has not yet implemented an automated underwriting system.

	1 (not important)	2	3	4	5 (very important)
Satisfied with current underwriting process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Not familiar with such underwriting systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Implementation is too costly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unsatisfied with systems currently available	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cultural resistance to change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
IT resource constraints	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Incompatibility with existing systems/processes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Additional comments:



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## Life Insurance Utilization of Automated Underwriting Systems

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**40) Please enter any additional comments or questions you may have in the space below. You may also submit comments or questions by email to Mike Batty at [mbatty@deloitte.com](mailto:mbatty@deloitte.com).**

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Thank you very much for helping to expand knowledge of automated underwriting in life insurance! You can expect to receive your thank you gift in 2-3 weeks and will be contacted when the report is complete.

Please enter your email address:

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[Submit Survey](#)

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