



SOCIETY OF ACTUARIES

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Editor's Corner

Technology Improves Our Lives

by Julie L. Tani

In this issue we hear from some people who are doing amazing things, and we truly do have amazing new tools available to us. We can now obtain underwriting information of much higher quality, as well as process it more efficiently, which leads to shorter processing times and in some cases even instant online binding of coverage. We can also provide improved field services and engage in more effective consumer targeting. From an external perspective, we can improve key communications for regulatory, partnering and consumer purposes.

I'm sure most of you remember the excitement created when "that fast new computer" the Pentium came out—a 586! Now, speed improvements occur so often that I cannot even tell you how many gigahertz at which the newest computers are operating. At least, I think gigahertz is still the correct unit of measurement! And what about the fax machine? This was a great boon in its time and is now often taken for granted, enhanced via electronic transmission, or bypassed altogether by scanning and e-mail. Early in my career, the veterans told me stories about computer punch cards, akin to my parents' stories of their trek to school, "Five miles uphill each way through the snow" (although the punch card stories were more likely to be true). At that time, one of my first tasks was to convert to Excel our paper-and-pencil process of calculating reserves for supplementary contracts. Fax, faster computers, electronic spreadsheets and word processing... all these new tools, as great as their impacts were really only evolutionary rather than revolutionary.

Well, I think it's safe to say that most of us agree that the Internet is revolutionary. It

has the capability of helping us transform our business. And even this has been somewhat of a pendulum; first, people wondered, "will this be the next big thing in insurance sales?" As this moved more slowly than some would have liked, attention turned to the business-to-business angle; e.g., Web-based policy administration, even all-in-one packages linking pricing, valuation, policy issue and administration, or CRM systems which promise to allow you to leverage the Internet to do all your work for you! We have, of course, found that these solutions are often harder (and more expensive) to implement than some would want us to believe. So we find the pendulum swinging back—to a workable set of solutions.

Many of the authors in this issue show how we can leverage technology as well as good old-fashioned know-how in new and innovative ways. For example, Steve Konnath describes current trends in the e-term market and real solutions to channel conflict that many have thought to be impenetrable obstacles. Simon Walsh shows how American Life is a pioneer in the issue of binding coverage instantly for online customers. Bill Winterman describes how reinsurers can add value by leveraging their own resources and expertise for clients' and consumers' benefit. Maria Thomson and Nancy Behrens discuss new trends in underwriting data and bancassurance. And to remind us not to forget the fundamentals no matter the tools we have available to us, we continue Rob Winawer's three-part article "Direct Insurance Sales Using Microeconomics." Our industry has at its disposal many new tools. How we choose to use these to maintain and improve our industry's outlook is up to us. ☺



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