



SOCIETY OF ACTUARIES

Article from:

News Direct Newsletter

January 2004 – Issue No. 46

Summary of Orlando sessions

Session 31 The inside scoop on new product/market success

NTM Section Council members Jay Jaffe, Actuarial Enterprises, Ltd., and Brian Louth, RGA Canada Life Reinsurance Company, teamed with Linda Koco, Senior Editor of the National Underwriter magazine, to lead an Interactive Forum on the ingredients for achieving product/market success. The session was facilitated by NTM Section Council member Steve Cooperstein, Income Solutions for Life, who prodded audience participation, including thoughts on the various ways success might be measured—sales results, profitability, moving or changing the market, meeting budget, hitting your target and exceeding projections were some of the criterion offered.

Among many morsels shared, Jay stressed the need to judge a new product's success by evaluating whether "the dogs ate the dog food." He noted that new processes are in many ways as important a success factor as new products and suggested that product and production responsibilities not be combined. Using outside resources is often effective and efficient for developing new products.

Brian gave an example of a start to finish marketing success which was characterized by focusing on the market, testing and refining offerings in the market.

Linda's observations provided background on what seems to have worked or not over the years. She then led the audience in examining simplified case studies to drive home key elements for success, such as changes in promotional emphasis and educating distribution. No bottom line conclusion of the ingredients for success, though, was defined. Pursuit seems to still be the Holy Grail.

Session 60 Professionalism in the nontraditional marketing Context

Moderator: Theresa Resnick, Combined Insurance Co. of America

The session on Professionalism in the Non-Traditional Marketing Context, unfortunately, had a low turn out, but fortunately, had two great speakers. This was a very topical session that related recent events with Enron and Worldcom to the actuarial world.

Len Karpowich, Counsel for Combined Insurance, brought to light the news of poor professional choices made of recent times at Enron and World Com. Len provided the group with a picture of the happenings there, the choices that were made and horrific downfall that resulted, not only at these companies, but the cascading effect on Anderson, Citibank and Chase. This was an excellent overview of the impact that can be generated from poor professional judgement.

Lauren Bloom, attorney with the American Academy of Actuaries, followed by using the examples of these highly publicized scandals to place it into the actuarial context. She shared with the participants the code of professional conduct and how to use the code in everyday decision making, most notably as the actuary works out of the traditional scope.

Session 118TS The Effect of Malpractice Insurance Costs on Health Care Delivery and Health Insurance

Moderator: Steven Konnath, Physicians Mutual Ins. Co.

The teaching session on medical malpractice and its impact on the delivery of healthcare and health insurance in the United States and Canada was a huge success. The session started off with a great presentation from Dr. Donald Palmisano, the president of the American Medical Association. Dr. Palmisano was not only informative, but displayed his passion about the problems with litigation and its severe impact on doctors providing care. He cited several examples of areas in the country where doctors are now quitting their practices because the cost of malpractice insurance is

(continued on page 13, bottom)

Participants will leave with a better understanding of the regulatory environment that impacts the nontraditional marketplace. They will also learn how different companies are responding to the latest legislation.

IV. Designing Your Nontraditional Product from Start to Finish: Matching Underwriting to Experience

Format: Panel Discussion
Coordinator: Ian Duncan

Description: This session will cover the importance of knowing the impact of segmentation and underwriting on your expected mortality or morbidity. It will cover:

- The importance of data-mining and customer selection on ultimate experience
- Setting up your direct marketing application with the right type of questions to maximize responses but limit risk
- The use of prescription and other databases
- Tele-interviewing and expert systems—what they can and can't do


Participants will leave with a better understanding of how picking your customer base and setting up the application can impact risk. They will gain insight into what other carriers are doing to obtain customer information.

V. Products for Emerging Specialty Markets

Format: Panel Discussion/ Joint session with Product Development
Coordinator: Steve Cooperstein

Description: This session will focus on product ideas that are being revitalized or newly developed for emerging specialty markets. It will cover:

- Deferred annuities for the senior market
- 412 (i) pension plans for small businesses
- High net worth products
- The evolving viatical market

Participants will leave with a broader view on the ideas and concepts driving product innovations in specialty markets. They will have a stronger appreciation for creative thinking and may be able to build on the information provided leading to new or advanced options. 

Summary of Orlando Sessions • from page 9

prohibitive. Patients are now at risk in several geographic locations if they need emergency room care or are delivering a baby.

Jim Hurley then gave an extremely informative presentation on medical malpractice insurance trends in the United States over the last several years. He showed all of the components that are contributing to high medical malpractice insurance costs and displayed startling examples of malpractice insurance premiums by doctor specialty.

Liam McFarlane gave a very similar presentation to Jim Hurley's, but from the Canadian perspective. Liam showed that medical malpractice is a problem in Canada

as well, but not nearly the same magnitude as is in the United States.

Tim Barth, a spaceport technology manager from NASA, gave a fascinating presentation on the topic of human error factor analysis. This is a system that has been effectively used to minimize catastrophic errors in the aviation industry for more than 25 years. Tim advocated the need to use this same kind of system in the delivery of healthcare. He showed the similarities of how errors that lead to catastrophic events in the space program and general aviation are very similar to the kinds of errors that occur in healthcare. 