SOCIETY OF ACTUARIES

NEWSDIRECT

NUMBER 47 | MAY 2004 | NEWSLETTER OF THE NONTRADITIONAL MARKETING SECTION

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EDITOR'S NOTE >

BY NANCY MANNING, EDITOR OF THIS ISSUE

The mission of the Nontraditional Marketing Section is to facilitate research and discussion regarding the relationship among customers, products and distribution systems. The focus of the section is the exploration of two particular aspects of this relationship: methods of marketing financial products to potential customers other than through conventional channels, and specialty products particularly well-suited to alternative methods of distribution.

NewsDirect is just one of the activities that the NTM section council uses to support our mission statement.

Are you aware of the international flavor of our group? Over 400 of our 1800 members reside outside North America.

This issue focuses on the changing business environment around the world. Two articles present ideas relating to outsourcing, an increasingly common phenomenon in the U.S. business world. One suggests that reinsurance of mortality risk is a form of outsourcing, a tactic that many companies have employed over the years. Recently, Chris Hause, our NTM section council chairperson, reached out to our international membership, seeking feedback and articles. A composite view of the world of an actuary in Kenya appears in this newsletter as a result of his efforts.

Add the wisdom of customer lifetime value, a treatise of "lamentions and possibilities" on how marketers and actuaries can work together, preliminary program information for the San Antonio Meeting June 14-16, updates on credit insurance reserving activities and we provide a broader look at the world from the nontraditional point-of-view.

Nancy A. Manning, ASA, MAAA, is associate actuary at AEGON Direct Marketing Services in Plano, Texas. She can be reached at nmanning@aegonusa.com.

In the Chairperson's Corner, Chris addresses the concept of inspiration. Reviewing the article inspires me to call you, our membership, to action.

The time for identifying and selecting candidates to become part of the NTM council is quickly approaching. At the same time, the SOA is looking at a comprehensive restructuring of the governance function and the way the sections support the SOA as a whole. The next few years promise to be an exciting time for anyone who desires to influence direction, actions and results. As a member of the council, an actuary makes a three-year commitment to fulfill a leadership role for the NTM section. Participating in meetings, providing ideas for future SOA meeting sessions, and preparing or securing articles for *NewsDirect* are among the responsibilites for this role.

If you would like to become involved in a leadership and/or advisory capacity, but are not prepared for a potential three-year commitment at this time, NTM offers members the opportunity to fill roles as Friends of the Council. As the schedules of our current Friends Group permits, participation in council meetings is encouraged. However, as a friend, you might simply be asked to respond to e-mail or teleconference requests for any of the areas that the council supports - SOA meeting session ideas/speakers/moderators, *NewsDirect* articles or suggestions for the future direction of the section. The friend role is flexible and can provide a rewarding experience on a less-structured basis than that of section council member.

Consider your options! Contact any member of the NTM council to nominate yourself and/or present your ideas. We welcome participation from our membership around the world as we endeavor to meet your needs.

NEWSDIRECT

NEWSLETTER OF THE NONTRADITIONAL MARKETING SECTION

This newsletter is now electronic and can be found on the SOA Web site, www.soa.org. Back issues of section newsletters have been placed in the Society library, and are on the SOA Web site as well.

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Newsletter Co-Editors
Brian L. Louth, FSA, FCIA
Phone: (416) 682-0003
E-mail: blouth@rgare.ca

Nancy Manning, ASA, MAAA
Phone: (972) 881-6004
E-mail: nmanning@aegonusa.com

OFFICERS

Chairperson
Christopher H. Hause, FSA, MAAA

Vice-Chairperson
Robert P. Stone, FSA

Secretary/Treasurer
Ian G. Duncan, FSA

Council Members
Jeanne Meeker Daharsh, FSA
Steven E. Konnath, FSA
Paul D. La Porte, ASA
Brian L. Louth, FSA, FCIA
Nancy A. Manning, ASA, MAAA
Diane McGovern, FSA

SOA Staff
Lois Chinnock, Sections Manager
Phone: (847) 706-3524
E-mail: lchinnock@soa.org

Erica Barraca, Graphic Designer
Phone: (847) 706-3549
Fax: (847) 273-8549
E-mail: ebarraca@soa.org

Society of Actuaries
475 N. Martingale Road, Suite 600
Schaumburg, IL 60173
Phone: (847) 706-3500
Fax: (847) 706-3599
Web: www.soa.org

BY CHRIS HAUSE

INSPIRATION

The topic of inspiration has been the subject of writing, conjecture and mythology for centuries. It might even be (somewhat circularly) suggested that the concept of inspiration itself has historically been an important inspiration.

Inspiration is one of those ephemeral subjects that can only be described by studying its origins, effects and results.

First, where does inspiration come from? The concept of a supreme being has been one of the most durable, pervasive of inspirations. Love, revenge and greed have inspired some of the most memorable (and notorious) acts throughout history.

My aunt was somehow inspired to become a missionary and spend many years in Pakistan and Bangladesh. While she obviously did not reach the same level of notoriety as Mother Teresa, it is clear a similar force inspired them.

John Lennon was inspired to write a song about a drawing his daughter created in grade school (Lucy in the Sky with Diamonds). Beethoven was inspired by a walk on a spring day to write a symphony (Pastoral). So, we see that inspiration can come from many sources. And, the resultant acts are equally varied.

However impressive the results of the above inspirations, more interesting to me are those inspirations that occur within most of us from time to time. They lead us to do many small deeds and sometimes larger ones.

What inspires you to shovel your neighbor's walk when you know he is away on business? What inspires you to give your time, talents and energy to your local community or little league team? Why do we develop our knowledge and talents just to pass the fruits along to our friends, co-workers and (especially) our children?

This actuary's opinion is that a desire lies within all of us to make the world (or our little corner of it) a better place.

Inspiration like this also brings us success as a section. Contributions from inspired people like Diane McGovern (spring meeting coordinator), Steve Konnath (annual meeting), Rob Stone (Product Development Symposium), Nancy Manning and Brian Louth (*NewsDirect* editors) and the NTM Council are what make up our section's contribution to the profession.

I hope that if a similar inspiration strikes you (maybe while you read this), you are also provided with the energy and opportunity to act on it.

If that inspiration happens to direct you to write a *NewsDirect* article or contribute to our section in other ways, I look forward to the opportunity to work with you. If it leads you in another direction, well then, thank you for making the world just a little bit better.

Christopher H. Hause, FSA, MAAA, is president of Hause Actuarial Solutions, Inc. in Overland Park, Kansas. He can be reached at chrish@hauseactuarial.com.

LIFE, HEALTH AND PENSION PLAN PRODUCTS IN KENYA

BY SHIRAZ JETHA

Kenya is a beautiful country of some 30 million people in Central-East Africa and like several countries on the continent, it has begun taking steps to put itself on the path of development.

There is a wide disparity of wealth between the few "haves" and the many (in excess of 50 percent) who survive around the poverty level. The country's infrastructure is quite run-down, and the system is badly in need of accountability and transparency. Its neighboring countries, once in a similar plight, have more recently begun to embark on a path to prosperity through good economic growth along with donor assistance—largely by listening and responding to the investor and donor communities and taking steps to improve their confidence levels.

Indeed, modern business practices—adapted to the local culture—are becoming more visible in the community.

As Kenya takes steps to get its house in order, including the creation of an investor-friendly climate, its progress along the "development" curve should also be faster, since the painful "learning" that the western economies went through in their transition to the modern technologies will be bypassed as these technologies come into use here. Indeed, modern business practices—adapted to the local culture—are becoming more visible in the community.

Shiraz Jentha, FSA, FCIA, MAAA is a Director and Senior Consulting Actuary at Aon Consulting and Actuarial Services. He has significant international experience including the UK, Canada, USA and for the past 15 months in Kenya. He can be reached at: Shiraz_Jetha@Aon.Co.Ke.

Turning to the insurance business, with the prevalence of HIV/AIDS estimated in the 10-15 percent range, the conduct of the life and health insurance business has been significantly affected by this condition. In many cases, coverage is excluded if a claim arises from the condition—this is in addition to testing at all levels of coverage for individual insurance. Testing has in the past proved unreliable with many instances of early AIDS claims following a "clean" test result. This has caused insurers to establish their own professional panels across the country.

The government has tried, from time to time, to have the insurers be more receptive to finding solutions for covering HIV/AIDS at some level, while the insurers have been less than willing to step up to the challenge single-handedly. A new comprehensive bill is up before the Parliament, which will require some level of "untested" coverage and it is difficult not to see it go through in some form or other at some time given the likely positive political fallout. In the group-life product line, companies have generally covered HIV/AIDS below the free-cover limit.

As more has become known of the condition, including the benefits from drug therapy (which has become considerably more affordable of late), we have started to see isolated offerings of individual life products covering AIDS without medical testing for the condition.

INSURANCE MARKET IN KENYA

(a) Life insurance and retirement products

Both product lines are offered in the group and individual modes. Traditionally the individual products have been sold through career agents, while the group products have been sold through brokers. However, there is some direct selling too.

Group products are essentially group life policies. More and more a "funeral" benefit is also available which essentially pays a smaller sum in 48 hours with expedited paperwork. Permanent total disability (PTD) could also be included with the group life coverage. Critical illness coverage (mostly as acceleration of part of the death benefit on diagnosis of defined conditions) is also starting to become more common. Optional group life or even group permanent life is not offered in the market.

The trend toward defined contribution (DC) pension plans is also evident in Kenya with more and more plans converting out of the defined benefit (DB) form. This trend has been driven mostly because of inadequate funding in the past to the point where employer contributions have now grown to the order of 25 to 30 percent. For the group pension business, insurers offer not only administration services, but also are "solely" able to provide (through exclusive legislation) an investment vehicle called the "guaranteed fund," which is essentially an investment fund with mild investment guarantees. Interest crediting is generally on

the "portfolio average" approach. As in many other parts of the world, contributions to a pension plan are tax favored within limits.

Individual products have tended more to the savings variety compared to the pure risk types and also tend toward "par" products with reversionary bonuses. So endowments, especially with frequent partial maturities, ("money back" policies) are popular.

Another type of savings product that has significant public appeal is one directed at funding for future educational costs for children. Children's education is an emotional issue for Kenyans, and the product taps right into this sentiment. From an insurer standpoint, the mortality risk profile is also perhaps "friendlier." There is scope for more innovation with these education policies, especially for those companies able to find solutions to provide for increasing costs of education or, even better, for educational costs abroad in the product design. Life insurance premiums are partially tax favored in Kenya.

The law also allows for personal pension plans where there is no company pension plan or as a vehicle to hold funds arising from refunds coming from a pension plan on account of termination of employment (rollover IRA concept). At this time only insurance companies can sell these personal pension plans; however, the marketing of this product has been virtually nonexistent and hence its participation is low. Going by the North American experience, initially the growth of the individual retirement savings products (IRAs, registered retirement savings plans (RRSPs) in Canada) was also slower, and so perhaps it might only be a matter of time before personal pension plans really pick up since it is one of the very few tax breaks available in Kenya for individuals.

Children's education is an emotional issue for the Kenyans and the product taps right into the sentiment.

(b) Medical insurance in Kenya

This is an area that offers the best opportunity for growth. However it is also an area that insurers (and reinsurers) are most nervous about. Most all who have participated in this line in the past have suffered large losses at one time or another. To make matters worse, companies describing themselves as HMOs set up health "insurance" businesses in the '90s without proper pricing know-how, capital levels or management skills. Because they were defined as HMOs, they even escaped regulatory oversight. These companies offered generous coverages and pricing and competitively forced insurers to respond. Their arrival was viewed as the answer to the high cost and coverage limitations of health insurance. The result was quite ugly. Coverage disappeared virtually overnight in many cases as companies ran into severe financial difficulties. The suppliers of health coverage have reduced dramatically in Kenya over the past 12 to 18 months while the demand remains high. It's been virtually impossible to interest insurers in coming correctly into the market, given the opportunity for proper pricing through diminished competition. Memories are too painful and too recent.

One of the election promises made by the government was the introduction of "free" (or subsidized, perhaps) medical care. The proposals do include a role for the private sector. Because adequate national health programs can be quite expensive (running upwards of 7 percent of GDP), it is not clear what the ultimate shape of the program will be. At one extreme the role for private insurer could be extensive, and at the other it could be peripheral. A major comprehensive program could prove disastrous and also would be out of sync with the economic and other priorities for the nation.

THE FUTURE

Product trends from North America have already started to enter the market. For example, a universal life type of policy with flexible premiums and coverage is being offered by at least one company

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THUMBS UP ON OUTSOURCING

LIFE INSURERS ARE FINDING OUTSOURCING CAN INCREASE SHAREHOLDER VALUE BY CUTTING COSTS AND BOOSTING EFFICIENCY.

BY DOUG MCPHIE

A properly structured and managed outsourcing arrangement has a positive impact on shareholder value, according to a recent Ernst & Young study, while an improperly structured arrangement can have the opposite effect. This finding is corroborated by the conclusions reached in a Morgan Chambers study of 100 Financial Times Stock Exchange (FTSE) companies in the UK which showed that the announcement of a mega-outsourcing deal resulted in a 5 percent sustained increase in share value over companies that did not use outsourcing. Another study by U.S. analyst Stern Stewart produced similar results.

Despite the demonstrated linkage between outsourcing and shareholder value, life insurance companies historically have lagged banks and other sectors of the financial services industry in the extent to which they engage in outsourcing. Another UK study indicated that the banking industry accounted for 35 percent of the total value of outsourcing contracts for business processes in the UK, while the life industry represented only 5 percent of the total.

> **Over the past year, the trend toward outsourcing in the life industry has been growing, with major deals occurring in North America, Europe and Asia.**

PICKING UP SPEED

Now that may be about to change. Over the past year, the trend toward outsourcing in the life industry has been growing, with major deals occurring in North America, Europe and Asia. Since the beginning of this year, Manulife Financial, Canada's largest life insurer, has announced the outsourcing of its North American IT infrastructure management to IBM, and Sun Life of Canada has agreed to have Marlborough Stirling handle the policy administration of its 800,000-policy UK business. Last year, Abbey Life announced a similar deal with Unisys for its 1.5 million life policies.

John Mather, chief information officer of Manulife, cites four main reasons why the insurer has entered into its partnership with IBM: to provide IT depth and flexibility for future mergers and acquisitions, to provide resource flexibility that will allow the insurer to respond to the peaks and valleys of IT demand resulting from the rapid development of new products, to create a top-flight IT back office and to drive cost savings.

Outsourcing is often viewed as falling into two categories: the first category, information, communications and technology outsourcing, encompasses IT operations, development, infrastructure and networks. The second, business process outsourcing, can include back-office operations for group, individual, finance, investments, human resources and other operating areas. Providers such as Cap Gemini, CGI, EDS and IBM all offer solutions in both of these areas for many industries, while other companies specialize solely in the life industry.

Historically, North American life insurers have used outsourcing only for minor business processes, or for new processes that lack an existing administrative infrastructure. However, as the recent announcement by Manulife and other companies suggests, the trend is shifting. And while IT is often the first place where life companies outsource, the bigger opportunity may lie in the area of business-process outsourcing. The incremental gains that come from internal management of business processes may be neither big enough nor achievable quickly enough to produce the kind of dramatic process improvements that senior management is looking for today.

CORE VERSUS NONCORE PROCESSES

Our study found that financial services firms increasingly view outsourcing as an integral part of their strategy to save money and boost the bottom line. As a result, they are now willing to outsource activities once regarded as sacrosanct. Is policy administration one of those activities?

Most of the life companies we have spoken with say they have not given serious consideration to outsourcing some or all of their policy administration

Doug McPhie is a partner in Ernst & Young's Toronto office. He can be reached at 416.943.3800 or doug.mcphie@ca.eyi.com.

processes. They question whether outsourcing policy administration can reduce costs. They also maintain that insurance products, systems and interfaces are too complex for outsourcing providers to manage effectively and that policy administration should not be entrusted to a third party because it is a core business process. How valid are these concerns?

In the life insurance industry, we believe that product design, marketing and distribution, policyholder service, underwriting and risk management are the key areas where life companies compete through differentiation. While many life companies attempt to differentiate themselves through outstanding policy administration, the marketplace recognizes only a few. Policy administration does touch the customer, but for many companies the goal is to deliver service at the lowest cost while meeting a minimum baseline of quality. This makes policy administration a prime candidate for outsourcing.

Liberty Insurance Services, a U.S.-based, third-party administrator owned by Royal Bank, currently provides policy administration outsourcing services, from underwriting to claims adjudication, for more than four million policies issued by a number of life insurers. Among those companies is Fortis Family Life, which decided to outsource the administration of its more than one million policies years ago.

Doug Donivan, senior vice president, notes that Fortis uses Liberty for most of its policy administration activities, from initial application to claims payment. Other processes, including the product development, distribution, actuarial and corporate reporting, are still handled in-house. Essentially, the policy administration process has been changed from being a back-office operation at Fortis to being a front-office operation at Liberty.

Policy administration in its broadest sense covers all stages of a policy life cycle after the policy design, marketing and sale processes (see Figure 1, right).

Routine internal transactions are obvious candidates for outsourcing. More sensitive are those with a customer interface, such as the call center. Can a provider's call center deliver the depth of knowledge needed to handle for what can be a large portfolio of highly sophisticated products, and can the provider be given the right empowerment to resolve customer problems appropriately?

THE MANY FACETS OF POLICY ADMINISTRATION

PRIMARY PROCESSES	RELATED PROCESSES
ASSESS RISK AND ISSUE POLICY • Underwriting decisions • Operation and maintenance policy administration system and policy master file • Initial premium processing and deposit • Policy issuance • Bank account maintenance	• Commission calculations and payments • Reinsurance • Accounting
POLICYHOLDER SERVICES • Call center operation • Premium billing, collection and processing • Name and address changes • Receive initial claims/surrender notification and collect relevant documentation • Annual policy update	• Commission calculations and payments • Information systems enhancements and maintenance • Reinsurance • Accounting
PROCESS CLAIMS AND SURRENDERS • Receive initial claims/ surrender notification • Payment of claim/surrender value	• Claims adjudication • Commissions adjustments • Reinsurance • Accounting

FIGURE 1

PRODUCT COMPLEXITY AND INTERFACES

Policy administration involves complex products and systems, and complicated interfaces between these systems. Products can range from simple term policies to sophisticated variable universal life policies. Systems interfaces include linkages between underwriting, policy maintenance, commission, reinsurance, call center operations, cash management, claims adjudication, billings and collections, reserving and accounting.

Outside providers typically have the systems and processes to support the most complex products and can provide seamless interfaces back to the life company's in-house systems, supported by real-time, daily, weekly or monthly connections.

Fortis believes Liberty is successfully managing the complexities of its products, according to Donivan.

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| THUMBS UP ... CONTINUED FROM PAGE 7 |

Interfacing between systems is not an issue, he says, because there is a seamless interface back to the insurer's accounting, reserving and investment systems through extracts between Liberty's systems and those at the insurer.

However, multiple products and interfaces, together with the long life of policies, result in another major complication: system conversions. The applications supporting policy administration must support a range of products whose life cycle can exceed 50 years. Often, the systems applications are home grown or are modified versions of commercial applications. Given the life span of insurance products, it is inevitable that the products will need to go through several systems conversions throughout their life cycle—an expensive and risk-prone process.

Insurers often elect to maintain multiple applications rather than incur the costs of conversions.

Adding to the complexity is the acquisition of companies or blocks of business that can result in a life insurer's maintaining multiple systems' applications. Insurers often elect to maintain multiple applications rather than incur the costs of conversions. However, multiple applications mean multiple support processes, such as reprogramming each application for a change in tax law. Outsourcing removes these issues, and outside vendors claim that they often can complete conversions more quickly and at less cost than the company would incur in doing a conversion itself.

SUBSTANTIAL COST SAVINGS

There is some skepticism in the industry about an outsourcer's ability to provide services at a cost lower than the life company itself can achieve. However, Manulife's John Mather reports that the savings his company realized from its outsourcing deal with IBM exceeded what the company anticipated when it first began examining outsourcing opportunities. He estimates the seven-year deal will result in a 30 percent savings on the $1 billion CDN it would have cost Manulife to continue to manage ICT itself.

Sun Life of Canada reported a $50 million savings from outsourcing policy administration in one business unit. Abbey Life and Fortis also cited cost savings resulting from their policy administration outsourcing arrangements.

According to Bruce Powell, senior vice president of Liberty, its customers have realized an average of 25-30 percent savings in annual policy administration expenses, and a one-time system conversion typically costs between 30 percent and 50 percent of the initial annual cost. The savings result from economies of scale, process innovations and the provider's ability to spread its investment in new technologies—for example, new universal life systems applications, imaging, work-flow and call-center operations—across many companies, reducing the costs to each one.

Another benefit of outsourcing, says Donivan, is that previously hidden costs are now visible and are better managed. For example, when Fortis maintained its own policy administration information systems, program changes were not clearly defined, resulting in inefficiencies and rework. Now that Fortis receives explicit bills from its outsourcing provider for programming time, it has learned to better define exactly what is needed and why, before involving the provider in systems development.

A number of other less obvious factors, in our experience, can have a financial impact on the success of an outsourcing transaction:

- The opportunity to reflect expense savings in product-pricing decisions.
- The changing regulatory capital requirements that result from disposing of capital assets such as systems, facilities and call centers.
- The transfer of employee future benefit liabilities from the balance sheet of the life insurer to the provider.
- The potential commodity tax impact of convert ing internal salary and other expenses to external service fees.
- The conversion of internal fixed costs into variable external costs based on transaction volumes.
- The ability to smooth cash flows by avoiding the periodic capital expenditures required when in-house processes, systems and facilities are maintained.
- In some countries, such as Canada, there may be an actuarial liability impact.

- The insurer's willingness to take capital stock from the provider in lieu of cash. Typically, when a provider takes on a business process, it will acquire and pay for the assets underlying that process, such as call centers, technology and facilities. In some cases, the provider prefers to issue its own stock as consideration instead of paying cash to tie the customer to its success.

MAKING IT WORK

Our study found that, despite the good will that usually marks negotiations with a provider, the final wording in many contracts focuses only on cost cutting and includes numerous nonperformance penalties. This is not the right framework for fostering cooperation and joint problem solving.

Life insurers that have implemented or managed a major outsourcing arrangement agree that having the right attitude is a critical success factor. This issue starts with the leader of the business unit that is being outsourced, says Manulife's Mather. If that leader views outsourcing as amounting to selling off the business and a threat to his or her position, it is unlikely that an outsourcing arrangement can be worked out.

To Donivan of Fortis, maintaining an ongoing relationship after the deal is implemented is equally important. "To succeed, you have to approach the relationship with the provider as a partner, not a vendor," he says. "You need daily communications, you have to train your own people in the outsourcer's methods, and you must stay involved with the process." That means having an in-house structure to manage the relationship at a governance, relationship and process level.

One of the key techniques employed by Fortis is to use internal auditors to manage process control and quality. The insurer maintains one of its own auditors full-time on its provider's site doing daily audit procedures on applications, claims, call handling and the management of suspense accounts. It also uses its corporate auditors to conduct more formal semiannual reviews of processes such as underwriting and claims adjudication. Service-level agreements are important and should address both quantitative and qualitative performance measures, says Donivan. Quantitative measures include speed to process a policy, error rates and waiting time at call centers. Qualitative measures, such as customer satisfaction surveys, look at the intangibles that cannot be captured by traditional measurement systems.

While some argue that the consolidation and uncertainty prevalent in the industry today will delay outsourcing decisions, we believe the opposite will occur. The trend toward outsourcing of IT and business processes in the life industry will accelerate, because a well-structured, well-executed outsourcing arrangement can increase company value and facilitate future integrations with other life insurers. The promise of future cost savings is driving much of the consolidation now occurring in the industry. And based on the experience of the companies that have tried it, cost savings is exactly what outsourcing delivers.

IMPROVING A LIFE INSURANCE COMPANY'S PERFORMANCE THROUGH OUTSOURCING

BY GREIG WOODRING

Today's life insurance companies feel increasing pressures to deliver performance, at the same time contending with an environment characterized by growing competition and rapid change.

Gone are the days when a company can survive with long-term average performance. How does a company in this increasingly competitive world achieve the earnings required to satisfy its share and debt holders? The answer often requires the ability to partner through outsourcing with organizations that improve the company's performance, an approach evidenced by the growing use and acceptance of outsourcing.

> **How does a company in this increasingly competitive world achieve the earnings required to satisfy its share and debt holders?**

A COMPETITIVE AND UNCERTAIN ENVIRONMENT

There is no doubt about it, the life insurance industry on a worldwide basis has become a much more competitive place over the last 15 to 20 years and most signs would seem to indicate that even greater competitiveness can be expected in the future.

The composition of the industry has been changing. Greater globalization has meant that large, well-capitalized financial service organizations continue to expand their worldwide reach. At the same time mergers and acquisitions weed out underperforming life insurance companies as stronger companies search for ways to drive down their own costs and build critical mass.

Demutualizations bring former mutual companies into competition for capital growth and expansion and change the competitive landscape. New players have entered the industry, such as banks, securities brokers, mutual fund companies and even non-financial service companies such as brand name retailers, like Marks & Spencer, that have power via their access to the consumer.

On the consumer front, demographics and psychographics lead customers to expect higher performance and greater value from their life insurance provider. At the same time, as populations mature and life spans increase, needs shift from protection products to income products. In addition, intergenerational wealth transfer creates a need for investment advice, financial planning and estate planning. What's more, consumers today have greater access to financial information than ever before and more ways to buy financial and insurance products.

Regulatory changes also have a major impact on the industry. Deregulation worldwide encourages insurers to enter new markets and also encourages the emergence of large-scale financial services organizations, replacing standalone banks, insurers and brokerage firms.

Regulatory changes also focus greater attention to market conduct issues; they concern themselves less with what an institution sells and more with how they sell it.

Technology, of course, exerts huge effects on all industries and insurance is by no means immune. It affects how things can be done and raises expectations with respect to speed and efficiency. Technology improves operational efficiency for most insurance functions. It facilitates medical breakthroughs, which promise to improve treatment and early detection for various diseases, as well as improve mortality. In addition, the Internet can increasingly be used as a distribution channel, especially for simple products, as well as a tool to complement existing sales channels.

Finally, all of these activities directly take place against the backdrop of economic uncertainty and concerns over global terrorism.

ACHIEVING PERFORMANCE

How does a company overcome the challenges of this competitive environment and achieve high performance?

Many companies with the resources to do so go on the acquisition trail, looking to get bigger and

Greig Woodring is President and CEO of Reinsurance Group of America, Incorporated.

"squeeze out" redundant expenses. Any underperforming company can find itself in an acquirer's sight as shareholders have less patience than in the past. High performing companies with attractive assets, which do not possess the size to fend off acquirers, can also become targets.

However, while this approach can increase ROE and has the added benefit of reducing the competition, a strategy dependent only on acquisition strategy is difficult to sustain. An acquisition strategy takes focus capital and, with the right people, the ability to integrate effectively. An acquisition strategy also may require even larger acquisitions to sustain the momentum, a difficult task. Many mergers and acquisitions have failed to meet their original financial and strategic objectives.

Other approaches, more sustainable for most companies, often involve the use of outsourcing. In this competitive environment a company needs to focus on results and performance across its entire business. However, companies find it difficult to be the best at everything. To improve overall performance many companies turn to outsourcing certain functions that a company can't or doesn't choose to do as well as others. Within the outsourcing approach, successful companies choose to follow one of two models, i) the manager model and ii) the specialist model.

Companies that follow the manager model often operate successfully across a number of functions or businesses and succeed through good management policies and procedures that bring standardization and efficiency. Such companies can manage diverse businesses through process and brand leveraging. However, these companies also recognize that to achieve the optimum results means using third parties for certain functions. Manager model companies succeed at doing this, because their core competency—management—gives them the skills to manage both internally and externally. They make internal/external decisions rationally based on core competencies and transaction costs.

Companies that follow the specialist model focus on a particular function or business and develop deep skill in their area of expertise. They incessantly use outsourced providers to broaden their operations and, given their distinct focus, may often extend themselves as outsourcing providers as well.

One key to successful use of the manager model or specialist model involves the ability of companies to outsource effectively.

OUTSOURCING

Outsourcing for any company can potentially yield a number of benefits, including faster new product introduction, lower costs, access to professional expertise for a function not possessed in-house, improved quality and an opportunity to focus more resources on core activities.

However, outsourcing is a partnership and, as we all know, partnerships can be difficult. To get the most out of outsourcing requires a company to i) be clear as to why it is seeking to outsource, ii) select the right provider and iii) dedicate effort to managing the relationship.

An organization must understand why it is seeking to outsource. A company that outsources wants to become more competitive, but it must appreciate exactly how outsourcing can make it more competitive. Is the company outsourcing a function because primarily it is looking for improved speed, cost, technical expertise or something else? Lack of clarity with respect to the basic motivation can lead to the wrong outcome.

Finding the right provider is paramount. A provider may have, for example, the attributes to provide speed, but not cost savings or leading edge solutions. Transaction costs also need to be considered, they include the cost of services provided, as well as the costs to manage the process.

It should be recognized that resources are required to manage the function provided and the relationship with the provider. Outsourcing a function does not mean you can forget about it. A well-managed relationship will minimize potential problems and benefit both parties.

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| IMPROVING A LIFE INSURANCE ... CONTINUED FROM PAGE 11 |

What can be outsourced? Most of the functions, that together comprise the value chain of a life insurer, can be outsourced to various providers. However, life insurers, until fairly recently, have traditionally performed most of their functions in-house; this has been changing quickly. Today there are many examples of life insurers outsourcing key functions, such as distribution to banks, brokers and the Internet, underwriting to reinsurers, administration to third-party specialists and fund management to third-party fund managers. In fact, we have even seen, facilitated by technology, the emergence of virtual insurance companies, where most functions are outsourced.

A better question should be, what should be outsourced? This will, of course, vary from insurer to insurer, depending on their core competencies. However, there are some activities that, by and large, on an industry-wide basis make more sense for insurers to outsource, simply because it is an area where a higher level of expertise exists externally. One of those areas is in the pricing and management of mortality, the logic of which, given the recent growth of this activity, is being better and better understood.

OUTSOURCING MORTALITY RISK ACCEPTANCE

Outsourcing mortality risk to reinsurers has become one of the most common outsourcing activities by insurers and a practice that is on the rise in many countries around the world. It is particularly prevalent in the United States and Canada, where statistics for the year 2000 revealed that the percent of ordinary new business that was reinsured had grown to over 60 percent. On an in-force basis, an estimated one quarter of total in-force sum assured has been reinsured in North America.

Why does it make sense for insurers to outsource mortality? Outsourcing mortality allows insurers to free tied up capital for other purposes. The reinsurance market is efficient and on a risk-adjusted basis, counting the cost of capital, reinsuring mortality risk changes a variable profit stream to a fixed-profit stream at no significant risk adjusted cost. Mortality is a reinsurer's core business; consequently they focus on mortality pricing and management. Outsourcing mortality allows insurers to take advantage of reinsurers' expertise and offer better prices on their new business.

Outsourcing mortality risk has become one of the most common outsourcing activities by insurers and a practice that is on the rise in many countries around the world.

When properly done, outsourcing any activity will help make an insurer's whole value chain more effective. With respect to the outsourcing of mortality specifically, its wide use and growing adoption by insurers is arguably making the whole industry more effective.

CONCLUSION

Insurers that focus on their core competencies and astutely outsource the other functions of their life insurance value chain will become more competitive and improve their performance.

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ACADEMICS CONFIRM WISDOM OF CUSTOMER LIFETIME VALUE

BY JAY M. JAFFE, FSA, MAAA

A few years ago insurance direct marketers and actuaries understood, recognized and adopted the concept of customer lifetime value (CLV). A recent article in the Winter 2004 issue of the *Sloan Management Review* confirms not only the validity of the concept of CLV but also demonstrates how it has been integrated into many well-known companies. The article is titled "Creating Growth with Services" (a reprint can be ordered from *http://www.mit-smr.com*).

One of the examples cited by the authors and which relates to financial services is Deere & Co. The authors explain that "John Deere's brand, forged over 160 years, allows the company to sell credit-card and operating-loan services to farmers and ranchers." (The emphasis on the word "forged" is made only to show that academics' feeble attempt at humor cannot escape the keen eye of a sharp actuary.) But this logical extension of a company's operations is not new to any of us who have worked in markets including retailers, banks and others with large customer bases and an affinity with the sponsoring entity.

It is even more important than ever for insurance companies to adopt a CLV-focused strategic plan. As the financial services marketplace continues to contract, there is heightened rate competition between insurers and the consequential lower-profit margins. One of the easiest ways to counteract these trends is to implement effective CLV programs.

The first and most crucial step before implementing a CLV program is to create a master plan which covers all CLV activities. This plan will include not only the plans to be marketed but also how to do the marketing, the handling of channel conflict issues, financial implications and value of the programs, etc. Without the plan, marketing chaos will prevail. The next impact will be marketing gridlock followed by a cessation of CLV activities when distribution system noise develops.

Companies should consider offering both insurance and non-insurance products in a CLV program. For example, accidental death riders would be an insurance benefit but a dental/vision discount program is a non-insurance program.

The advantages of the non-insurance programs include:

- NO filings/approvals required
- NO agent licensing required
- NO premium taxes to pay
- NO risked-based capital requirement
- NO minimum loss ratios

The non-insurance programs can be furnished by any number of sources. There is no need to deal exclusively with one single provider. The cost of the programs is generally guaranteed (at least for a period of years) so the only major unknown profit parameter is the marketing expense.

It is recommended that if an insurance company uses agents and the agents' insureds are going to be solicited for any programs, the agents should be made aware of the programs, and some level of compensation should be paid in the event their insureds purchase any benefits.

The largest barrier which prevents most carriers from offering CLV programs is the lack of skills to run the marketing programs (whether they are direct mail, telemarketing, or use any other media.) Fortunately, these responsibilities can be contracted to a third party which will assume the project leadership role and be responsible for implementing the programs. When outsourcing the marketing tasks, it is recommended to have the marketer assume an equity position rather than work only on a fee-for-service basis so that it has "some skin in the game."

WIIFM (what's in it for me)? As the insurance company, CLV programs are immensely profitable. What's special about many of the CLV programs is that they are win-win situations. Not only are they good for the insurance company because they contribute additional profits and usually improve policyholder persistency, but the insureds value the programs because of the direct savings for purchases they would have made regardless of

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Jay M. Jaffe, FSA, MAAA is president of Actuarial Enterprises, Ltd. in Chicago, Illinois. He can be reached at jay@actentld.com

STATUS OF CREDIT DISABILITY ACTIVE LIFE RESERVE TABLE

BY CHRIS HAUSE

The NAIC's Life and Health Actuarial Task Force has approved changes to the A&H Model Valuation Regulation, clearing the way for states to adopt the 1985 CIDA (with modifications) as the morbidity standard for single premium credit disability.

So what does that mean to credit disability insurers?

In general, we have seen reductions of about 20-30 percent from unearned premium reserves. This will not only free up statutory surplus for writing companies and reinsurers, but reduce letter of credit and trust funding requirements for unauthorized reinsurers.

In general, we have seen reductions of about 20-30 percent from unearned premium rates.

Since this is the first table of its kind, insurers may have the option of revaluing their entire in-force block based on the new standard. As with any change in valuation basis, you should check with your domicile state before proceeding with a revaluation.

Tax reserves may be reduced, but only slightly. Remember that credit disability unearned premium reserves are currently subject to a 20 percent "haircut." I would anticipate the "haircut" would not apply to a morbidity-based reserve. I believe that the IRS also has the option to simply keep the standard of 80 percent of unearned premium.

So, when can (or must) you start to use this table?

Well, that is a fairly complex question. The A&H Model Regulation feeds into Appendix A-010 of the Accounting Practices and Procedures Manual. If a state has no specific law or regulation, the APPM may be the only applicable standard. So, it is possible that states will adopt the new standard inadvertently or by default.

So far, of the states that have laws or regulations, most have been willing to consider adopting the NAIC morbidity standard. North Carolina, Ohio and New York have already adopted. Florida has indicated they will support efforts to modify the law to allow the new standard.

The CCIA Actuarial Committee has identified a number of states that do have specific credit A&H standards. Efforts to modify these are under way. In the meantime, when can or must a credit disability insurance carrier take action? In all cases, the answer is NOW.

Clearly, a company licensed only in states where the standard is the morbidity table, may (or must) begin to use the table now, and decide whether to revalue your in force.

A company licensed only in states where there is an unearned premium standard will probably have no immediate statutory effect from the new table.

However, for the majority of companies, that are licensed both in states where there is a morbidity standard AND unearned premium standard, it is important that they calculate reserves on the new standard starting now. Both of these reasons go to the "state of filing" requirement of the actuarial opinion.

First, if you choose to hold unearned premium reserves, you need to satisfy yourself that for your block of business, your unearned premiums are greater than the morbidity standard in aggregate. The testing we have done shows that for closed blocks of business, and older average age blocks, the new standard can actually produce higher reserves.

Secondly, if other states' reserving standards are different from your domicile, you may be using "sufficiencies" on one segment of your business to offset "deficiencies" in others, to satisfy the aggregate requirement. In a state where the standard is or becomes the morbidity table, the amount of sufficiency will change. For your protection, again, you must know what the morbidity-based reserve is.

If you have any questions about the new standard or how to apply it, feel free to contact me at chrish@hauseactuarial.com

NAIC'S LHATF APPROVES CREDIT MORTALITY REGULATION

BY CHRIS HAUSE

Hot off the presses! The Life and Health Actuarial Task Force (LHATF) has approved a model regulation that sets the 2001 CSO Male, Composite, Ultimate Table as the minimum reserve standard for credit line insurance liabilities. According to the normal course of events, final NAIC approval wil come at the June meeting.

Many thanks go out to the SOA's Credit Insurance Experience Committee and industry representatives, who put in many hours on the sturdy and several drafts of the model.

The job still remains to secure adoption of the model on a state-by-state basis. We hope with the new model and the acceptance of the 2001 CSO for ordinary issues, that will be a smooth task.

If you have any questions about the model, feel free to contact me at chrish@hauseactuarial.com.

LIFE, HEALTH AND PENSION ... CONTINUED FROM PAGE 5

and similarly for critical illness coverage and unit-linked policies. These developments will continue as the market and the buyer evolves.

Individual life premiums make up about 0.5 percent of GDP and so as the economy recovers and prosperity levels improve, there is room for growth, even more so in the retirement savings and medical care side. While the HMO story has been one of lost credibility, there have been isolated successes as well. These are operations that are very well managed (along the U.S. business models) and run by U.S. experienced management and are doing very well in a "retrenched" supplier market.

Currently there are about 20 insurers (offering life insurance) serving a population estimated at 32 million, including some well-known foreign companies. There is likely to be consolidation in the market. Increasingly the companies will also find growth opportunities in neighboring countries and so will become more regional in their operations.

There is a will to progress in the country and that, along with an investor-friendly climate and a genuine commitment to openness and accountability, will provide the key ingredients that will fuel the growth.

ACADEMICS CONFIRM WISDOM ... CONTINUED FROM PAGE 13

whether they participated in the program. The participants may even feel that the programs become a "no-cost" benefit.

Even small insurance companies have a sufficient number of insureds to make CLV programs operationally and monetarily feasible. While each situation stands on its own, it is possible to work with relatively small numbers because of the high response rates.

The additional revenue from CLV programs must find its way into the actuary's profit calculations. Depending on the circumstances, it might be easiest to reduce marketing costs by the CLV profits, but it would also be appropriate for the company's actuary to create a more detailed customer lifetime value model which includes both the original insurance and the CLV programs when testing profitability.

Regardless of the specific CLV programs used, the most important step is to get started. If needed, start with a very basic step but implement a CLV program. If you need confirmation that CLV should be initiated, remember that academics have finally confirmed what actuaries and marketers have known for a long time: CLV programs work!

LAMENTATIONS AND POSSIBILITIES

BY DON JACKSON

You may have noticed. Insurance direct marketers' DNA is extraordinarily different from actuarial DNA.

Consider the marketers' entwined strands—inclusive of messy notions like competition and market trends and "creativity," etc., while the neat, ordered strands of actuarial DNA include ideas like appropriate premium, return on investment, return on equity, margin, surplus and risk assessment.

It is not precisely true that all marketers feverishly embrace "risky business" the way Gable embraced Harlow. Although, admittedly, marketers do have a tendency to—how can one put it? How about this—marketers live for and love the pursuit.

They love to pursue prospects, customers and ideas. Yes, truth be told—resident in the marketing DNA is the chase…and good marketers throw themselves into the chase with as much devotion and heat as that which is observed in singles bars across the land.

And, pursuit is truly an untidy business. It is confused, cluttered and chaotic.

Pursuit does not possess the pristine elegance of numbers. The clean, uncluttered completely ordered existence of row upon row of calculations, formulae and odd bits of mathematical theory deliver lovely solutions to complicated problems.

So, there are differences.

But, remarkably, there are similarities too, well beyond 10 fingers and 10 toes. The actuarial world is a world of numbers. And, if the marketer is the least bit smart—the marketer's world is a world of numbers, to be sure not entirely the same numbers—but numbers that are contiguous if not congruent.

There are also a number of commonly shared ideas.

Acquisition cost and persistency, response rates and expenses, profit and loss. And herein is the juncture at which marketing DNA and actuarial DNA might just combine, creating a powerful business helix.

Actuaries and marketers need to form a symbiotic partnership that results in successful marketing strategies and potent persistency.

To that end we come to the "product specification."

The life blood of any insurance direct marketing operation is a complete product portfolio. And, the best product portfolio is one in which each of its denizens are built in modular configuration—allowing marketers to pick and choose product features to match market need.

To get there, however, marketers logically must explain to their actuarial partners what they want and why they want it.

To do so the marketers need to provide detail about the product they want to sell. Information like:

- A broad product description
- Type (group or individual)
- Who is eligible for the product
- What the product looks like—features and benefits
- What the distribution will be (individual vs. family)
- Gender distribution
- Administrative allowance
- Desired premium (usually on a monthly basis)
- Modal payment availability and anticipated modal distribution
- Payment options
- Average annual premium
- Desired marketing allowance
- Collected factor
- Conversion factor
- Issue rate
- Reinsurance data
- Age distribution
- Media utilization
- Claims data

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Don Jackson, is chairman of the JCG Group, Ltd. in Middletown, Del. He can be reached at donjackson@jcg.ltd.com.

APPLIED ACTUARIAL RESEARCH CONFERENCE OFF TO A SUCCESSFUL START

BY IAN DUNCAN

The first Annual Applied Actuarial Research Conference was held March 8-9 at the University of Central Florida in Orlando. Approximately 60 actuaries and some non-actuaries with insurance-related research interests attended. Based on the positive feedback, we expect to hold the event again in Orlando next year at the same time.

The conference has been structured to respond to an often-repeated need expressed in many actuarial forums for more research, and especially practical, applied research that can be used by practicing actuaries. We succeeded in attracting representatives of all major practice areas (including a paper by Donald Mango FCAS, vice president for research of the Casualty Actuarial Society). A number of papers of interest to actuaries practicing in health care were presented by non-actuaries active in this field. A quick look at the agenda for the first AARC shows the mix of papers on property/casualty, financial, group insurance and managed care, data mining, and retirement systems topics. If you are interested in seeing the agenda, check out: *http://www.cas.ucf.edu/statistics/AARC2004.htm.* Papers and presentations are also posted on this site.

Why should the average actuary care about research? I wrote an editorial in the *Independent Consultant* newsletter last year in which I postulated that actuaries do not invest enough in themselves once they finish their examinations. As a test of this hypothesis, answer the following question: When was the last time an actuary paid for him or herself to attend an SOA meeting or seminar? We are used to employers setting the continuing education and other requirements (as well as funding them), rather than taking responsibility for our own continuing education. Research and publication on a topic is an excellent way to advance one's own professional development, as well as that of the profession.

Why should actuaries support AARC?

1. Research (particularly applied research) should not be left solely to academic actuaries. Academic actuaries are relatively few, and most have teaching responsibilities. If the profession is to grow and flourish, the opportunities presented by research should be spread to a wider field.
2. The smaller and more concentrated forum of the AARC provides better opportunities for networking and exchange of ideas than the Society's larger meeting formats.
3. The exchange between academics and practitioners is very important. Those of us who make our living as practitioners have real problems to solve; academic actuaries have techniques. Collaboration is essential.
4. Orlando in March!

How can actuaries become more involved in research activities?

1. There are many calls for papers advertised regularly on the SOA Web site, both in the research section of the site, and on individual section pages. The SOA sponsors specific topic meetings through calls for papers, such as the "Living to 100 and Beyond" symposium of the Retirement Systems Section, or the Health Section symposium on prescription drug coverage to be held in Anaheim in May.
2. Many actuaries will have completed projects for professional development credit toward fellowship. These projects can often be presented as-is, or further developed. We are actively seeking interested actuaries to present their PD projects at next year's conference.
3. Speak to the Society's research actuaries, or individual section leadership, about topics that are of current research interest to the membership. Financial support is sometimes available from the sections, or potential researchers can be paired with academics or others interested in the topic.
4. Speak with one of the organizing co-chairs of AARC (Professor Lijia Guo of University of Central Florida, lguo@mail.ucf.edu, or me iduncan@lotteract.com).

Whatever route you decide to take, now is a good time to get involved in actuarial research!

Ian Duncan, FSA, FIA, FCIA, MAAA is a partner at Lotter Actuarial Partners in New York. He practices in the areas of data mining for insurance product development, risk prediction and marketing. He can be reached at iduncan@lotteract.com.

JUNE MEETING IN SAN ANTONIO

MONDAY, JUNE 14

2:00 PM–3:30 PM
Specialty Track: NTM/ PD

NONTRADITIONAL PRODUCTS FOR THE RETIREMENT MARKET

Moderator: Steve P. Cooperstein

Panel: Garth A. Bernard. Sr., Steve P. Cooperstein, Francois Gadenne *

This session focuses on new product concepts that are emerging to capture the huge retirement market.

Panelists discuss concepts such as:

- Incorporating defined benefit concepts into defined contribution plans 412 (i) insured pension plans for small businesses
- Insuring the longevity tail
- Highly impaired care annuities for people already incurring long-term care costs
- Innovations in "traditional" payout annuities

Attendees gain an awareness of nontraditional innovations coming to market designed to capture various aspects of the growing retirement market.

TUESDAY, JUNE 15

8:30 AM–10:00 AM

DESIGNING YOUR NONTRADITIONAL PRODUCT FROM START TO FINISH: REGULATORY AND COMPLIANCE ISSUES

Moderator: Chris Hause

Panel: Sarah Campbell, Clayton Reeves, Kenneth Sapp

As new channels like the Internet, work site marketing and direct marketing become more important to your business, understanding the regulatory environment is essential. This session covers the legal aspects of e-signature and voice signature, who is using these approaches and under what circumstances. This session also covers the impact of the federal "Do Not Call" legislation and other privacy issues.

Attendees gain a better understanding of the regulatory environment impacting the nontraditional marketplace and learn how different companies are responding to the latest legislation.

TUESDAY, JUNE 15

830 AM–12:00 NOON

DESIGNING YOUR NONTRADITIONAL PRODUCT FROM START TO FINISH: MATCHING UNDERWRITING TO EXPERIENCE

Moderator: Ian G. Duncan

Panel: Van Beach, K. Michelle Moloney, George Stadtlander *

This session covers the impact of segmentation and underwriting on expected mortality and morbidity.

Panelists discuss:

- The importance of data mining and customer selection on ultimate experience
- Setting up direct marketing applications with the right type of questions to maximize responses but limit risk
- The use of prescription drug and other databases
- Tele-interviewing and expert systems—what they can and cannot do
- Industry practices for obtaining customer information

Attendees gain an understanding of how determining your customer base and designing the application can impact risk and insight into what other carriers are doing to obtain customer information.

TUESDAY, JUNE 15
2:00 PM–3:30 PM

DESIGNING YOUR NONTRADITIONAL PRODUCT FROM START TO FINISH: IMPACT OF MARKET-PLACE CHARACTERISTICS ON THE DESIGN AND PRICING FOR A DIRECT MARKETED PRODUCT

Instructors: Jay M. Jaffe, Francis McGovern *

This session covers the importance of knowing your target market and how it impacts product design and the use of market knowledge to predict the quality and quantity of responses. The instructor also discusses how embedded values can be used to determine appropriate sales goals and impact overall profitability.

Attendees gain a basic knowledge of the important market characteristics to designing and pricing a direct marketed product and learn the applicability of embedded value analysis to answering various marketing and profitability questions.

TUESDAY, JUNE 15
2:00 PM–3:30 PM

Specialty Track: FR/ NTM

NAIC MODEL REGULATIONS ON DETERMINING RESERVE LIABILITIES FOR CREDIT INSURANCE

Facilitator: Christopher H. Hause

The NAIC Life and Health Actuarial Task Force has a charge to determine the feasibility of promulgating reserve standards for credit life insurance. This workshop is designed to provide attendees with the latest information on the status of that project, as well as an opportunity to provide their comments on the direction of the project.

The NAIC has also enacted changes to the Accident and Health Valuation Model Regulation and changes to SSAP 59 that will allow companies to use morbidity-based tables for single premium credit disability insurance. This workshop allows attendees to discuss state action on the model and the tools and methods needed to implement the new standard.

| LAMENTATIONS AND POSSIBILITIES CONTINUED FROM PAGE |

- Underwriting requirements
- Mortality/morbidity
- Investment earnings
- Cash values (y/n)
- Reserves
- Profit objectives
- Anticipated Lapse rates

And that's just the beginning. Marketers must provide market definition, general market demographics, type of solicitation techniques, offer elements, seasonality, geographic considerations, testing strategy, competitive product and company information, media segmentation, underwriting questions (if any) and modeling protocols.
Sounds simple, doesn't it?

It's not. It is very difficult. And that is the lamentation.

If actuaries and marketers want to get along, each side needs to understand what the other does. By applying this technique—lo, you get the job done. What is good for the marketer is good for the actuary and good for the company. And, what is most important—good for the consumers.

And that represents the possibilities. Because, if you don't focus on the end user—the insurance consumer—then premium doesn't get paid. Cash is not collected. And, neither the actuary nor the marketer gets paid.

Not getting paid is a bad thing.

THE INSURANCE DIRECT MARKETING FORUM 2004:

ADD "WOW" TO YOUR MARKETING

SEPTEMBER 13 AND 14 AT THE RITZ CARLTON IN TYSON'S CORNER, VA.

The program includes a mix of practical sessions delivered by experts in insurance direct marketing plus case studies that tell the whole story.

The conference will kick off with the Advanced Insurance Direct Marketing Symposium: Marrying Insurance Direct Marketing Theory with Tactical Practices. The keynote address will be "My View of the Future" by George Thacker, senior vice president/chief marketing officer, of The Hartford, followed by educational and timely sessions on DRTV, telemarketing, managing change, designing and evaluating new products, selling insurance online, creative techniques that work, and much more. Case studies include AON, AIG, Liberty Mutual, Marsh, Blue Cross & Blue Shield of Western PA and others.

For more information about the conference, please visit *http://www.jcg-ltd.com* or call Betts Jackson at 302-378-0218. For exhibitor information, please call Ginny Simon at 610-889-2036 or gsimon@projectmarketinginc.com.

ARTICLES NEEDED FOR *NEWSDIRECT*

The Nontraditional Marketing Council is always looking for interesting and informative articles to publish in *NewsDirect*. Your ideas and contributions are a welcome addition to the content of this newsletter. All articles will include a byline to give you full credit for your effort.

NEWSDIRECT IS PUBLISHED AS FOLLOWS:

PUBLICATION DATE	SUBMISSION DEADLINE
SEPTEMBER 2004	JULY 9, 2004

In order to handle files efficiently, please e-mail your articles to the newsletter editor as attachments in either MS Word or Simple Text files.

ATTENTION ALL NONTRADITIONAL MARKETING MEMBERS!

The Orlando Fall Meeting *Record* sessions are now available at *http://www.soa.org/ccm/content/research-publications/library-publications/records/2003-orlando-record-sessions/*.