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Professional Development for the In-Force Manager Today and Into the Future

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The 2019 SOA Annual Meeting & Exhibit will mark the third annual In-Force Management (IFM) Networking Lunch. On its first occasion in 2017 the goal of the lunch was not just to allow those focused on IFM to interact but, even more fundamentally, to provide an opportunity for us to assess just how interested SOA membership was in the topic. With a solid attendee count and well-engaged participants, this was just one data point that led to the formation of the IFM Subgroup of the Product Development Section in early 2018.

The 2018 SOA Annual Meeting & Exhibit saw attendance at the Networking Lunch grow, as well as an expansion of topics covered. It was well received, with feedback noting that it was "well worth the time," "organized to ... spark conversation" and "very helpful for someone from a smaller company." After attendees were given the opportunity to learn more about the various IFM activities undertaken by participants and work through potential solutions for shared challenges, they participated in a creative exercise to consider the possibility of the SOA one day hosting an IFM symposium.

Attendees were asked to consider when the first such symposium would take place (if ever), where it might be held, who would attend and what topics would be covered. The responses were diverse yet, taken as a whole, highlighted themes that were important across lines of business.

As to when the first symposium would take place, responses ranged from 2018 to 2028, with an average falling around mid-year 2021. On the positive side, no one said "never," and the desire for such an offering in 2018 was certainly taken as a vote of confidence. That said, a few participants felt that such a symposium would not become a reality until the industry as a whole felt a much stronger need to give focus to in-force management activities.



As to where the symposium might take place, specifics were sparse (though attendees clearly had a preference for warm locations). Instead, responses tended to reflect the practical aspects of finding time to attend in-person professional development activities. This was evidenced by the majority of those contributing to the topic suggesting that such a symposium be tacked on to a standing meeting. While the Life & Annuity Symposium was the most commonly referenced meeting to add such an event on to, the Enterprise Risk Management Symposium, the LIMRA Annual Conference and the SOA Annual Meeting & Exhibit were also suggested.

For those who contributed thoughts on what product lines would be covered, most sought to have broad coverage, with thoughts of expanding to include also those working in general insurance (i.e., property and casualty). The types of attendees hoped for were also broad, ranging from actuaries (whether in IFM, product development, experience studies or the like) to representation from teams that tend to include actuaries (research and development, risk management, mergers and acquisitions, asset liability management and predictive analytics) as well as those that typically do not (compliance, agents/producers, marketing, administration, lawyers, underwriting, finance and IT). There was also interest in having a variety of levels of experience involved—as one person noted, "a mix of leaders and doers"—in part, with the hope of having senior

leaders evidence the importance of IFM to their organizations. It was very clear that those participating in the exercise highly valued diversity among attendees, whether in experience or in area of expertise.

As to topics to be addressed in the agenda, managing the impact of changing regulations was clearly top of the list. Specifically highlighted were ensuring compliance with illustration regulations and considering the impact of New York Regulation 210.

Another category that was frequently requested related to data and other supporting information for decision making. Specifically, respondents wanted to know how to accommodate information when it is limited (whether data, documents or other historical knowledge and context), how to overcome issues with processing current data, and how to consolidate administration systems or otherwise manage legacy systems.

Identifying opportunities made available as a result of new data sources was also a topic of interest. Here, predictive analytics, enhanced systems to incorporate artificial intelligence and/or machine learning, and the storage of unstructured data were all mentioned.

How to think about studying and analyzing these information sources was also requested. Suggested topics included profitability analysis techniques, lapse behavior analysis and metrics to measure success.

Attendees had many suggestions when it came to which IFM actions to highlight. These seemed to fall within three buckets. The first related to broad management considerations—for example, reinsurance solutions, capital management, risk management, asset liability management, mergers and acquisitions, and packaging blocks to sell or other exit strategies.

A second category related to activities requiring frequent or ongoing monitoring. Management of nonguaranteed elements was most frequently mentioned, with dividends, cost of insurance charges, interest rates and expenses specifically highlighted.

The final bucket of IFM actions raised as a topic related to enhancing policyholder interactions, including the following:

- research on policyholder behavior,
- methods to improve persistency,
- considerations in improving health and wellness,
- building client loyalty and ensuring continued engagement,

- improving customer experience,
- refining communications to policyholders (e.g., through behavioral economics), and
- policyholder education (helping people better understand what they've purchased).

Contributors also called for the need to address the feedback loop with other departments and stakeholders. (This is perhaps not a surprise given the diverse list of attendees hoped for.) Aspects raised included how best to incorporate IFM learnings and opportunities at the time of pricing, maintaining model and assumption updates and incorporating legal, operations, accounting and valuation considerations when assessing different management actions.

There was also a call to look forward and consider emerging issues. For example, do activities today appropriately address long-term needs? How does one respond to a changing regulatory and reporting landscape—for example, principle-based reserving (PBR) and GAAP long duration targeted improvements (LDTI)? What possible future scenarios, whether related



to economics or perhaps policyholder behavior, are not currently being considered? What are the products or features of today that will become the focus of IFM tomorrow, and what can be done to address the rising need for such focus sooner rather than later?

If and when an IFM symposium will be developed is yet to be determined. In the meantime, we're grateful for the feedback gathered at the session, which continues to inform which topics are covered as meeting sessions, webcasts and other development and engagement channels.

We look forward to seeing many of you at this year's Networking Lunch, as well as at the other sessions that have been developed with those practicing IFM in mind for the 2019 SOA Annual Meeting & Exhibit taking place October 27–30 in Toronto.

- Session 025: Post-Level Term: Lapse and Mortality Risk Considerations (Monday, 10:30–11:45 a.m.)
- Session 034: In-Force Management Networking Lunch (Monday, noon–1:30 p.m.)
- Session 061: What Industry Data Tells Us About Policyholder Behavior (Monday, 3:30–4:45 p.m.)

- Session 062: Reinsurance Treaty: Source of Understanding or Discord? (Monday, 3:30–4:45 p.m.)
- Session 086: Strategic Uses of Reinsurance (Tuesday, 8:30–9:45 a.m.)
- Session 159: Implementation of In-Force Management Programs (Wednesday, 8:30–9:45 a.m.)
- Session 194: Product Taxation for In-Force Products (Wednesday, noon–1:15 p.m.)

We look forward, also, to the possibility of one day welcoming you to the inaugural IFM symposium. In the meantime, remember that you can stay connected with the IFM Subgroup now and throughout the year by joining our listserv (go to www.soa.org/News-and-Publications/Listservs/list-public-listservs.aspx, find “In-Force Management Listserv” and join). ■



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