2020 VIRTUAL ANNUAL MEETING & EXHIBIT

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Collaboration Throughout the Product Development Process

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Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants.

The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone’s responsibility; however, please seek legal counsel if you have any questions or concerns.
Presentation Disclaimer

Presentations are intended for educational purposes only and do not replace independent professional judgment. Statements of fact and opinions expressed are those of the participants individually and, unless expressly stated to the contrary, are not the opinion or position of the Society of Actuaries, its cosponsors or its committees. The Society of Actuaries does not endorse or approve, and assumes no responsibility for, the content, accuracy or completeness of the information presented. Attendees should note that the sessions are audio-recorded and may be published in various media, including print, audio and video formats without further notice.
Question #1
Describe ways that you typically work internally and externally through the product development process?
Carrier perspective – internal

Product, Actuary, Compliance

• main 3 areas involved in product development

Other areas (e.g. Claims, UW, etc.)

• brought in as necessary (SMEs) during development process
Carrier perspective – outside parties

Market Research Firms (e.g. surveys/focus groups)
- Qualitative
- Quantitative

Actuarial Firms
- Pricing Assumptions
- Understanding the business model

Competitive Analysis (e.g. industry groups)
Question #2
What are some common themes that you see in projects that are more successful than others?
Common Themes in successful projects

**Governance**
- Clarity around goals and roles
- Ideation vs decision making
- Embraces creativity

**Failing Fast**
- MVP
- Root cause analysis
- Exit Strategy

**Nimble**
- Progressive elaboration
- Changing priorities
- Comfortable with change
Question #3
What pricing pitfalls have you seen where products are underpriced? In those situations, what improvements can be made in the product development process to minimize these pitfalls?
Question 3 – Pricing Pitfalls

- Monitoring Plan
  - How will you monitor?
  - What risks are front of mind?

- Aligned Incentives
  - Who is key to success?
  - How are they motivated?

- Know Your Market
  - Underlying market characteristics
  - Experience level

- Expect Change
  - Shifting market dynamics
  - Be prepared to act
Question #4

How do you find balance in fostering a collaborative environment but also making decisions in timely basis to get a product out the door?
Collaboration and Decision Making

Communication
- Core team/SMEs
- Cadence
- Early involvement

General
- Don’t turn over accountability to consultants
- Understand market and how product is sold
- Don’t rush a decision to hit a date
Question #5

As companies become more innovative, what do you do to balance the value of historical experience with trying something more experimental?
Question 5 – Exploring the unknown

- Partners
- Competitors
- Distribution
- Studies
- Monitoring
Question #6
What do you see from market disruptors that traditional life insurance companies can learn from?
Life Insurance Disruptors

- Policygenius
- Spot
- Lemonade
- ETHOS
- Ladder
- SoFi
- Health IQ
- Fabric
- bestow
Learning from market disruptors

- Consumer-driven vs process-driven
- Removal of “categories”
- Tenacious Curiosity
- Competitive advantage
- Less formal structure
Additional Questions?
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