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Supplemental Benefits – Making a Stale Portfolio Fresh Again,
Session 103
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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

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Products age – and need change:

- Current events
- Competitive Lag
- Executive Push

Let’s take a look at how we can evolve products – both new or existing
Battle of the Priorities
Before we dive in – 2 examples

• 2020 – Global Pandemic
  • Health crisis
  • Mental Health crisis
  • Financial Crisis

• 2014 – Trustmark DI
  • Slowing sales
  • Missing competitive parity/edge
Updating Products – 4 simple processes

Identify the Need

Problem Solve

Validate

Implement

‘THE WAY TO GET STARTED IS TO QUIT TALKING AND BEGIN DOING.’

WALT DISNEY
**Step 1 – The Need**

What are you solving for?
- Understand problem at hand
- Voice of the customer

How much time do you have?
- Quick and Dirty
- Research
Poll Everywhere

Text: TMKSLM to 22333

Web: PollEv.com/tmkslm
COVID 19 Pandemic

• Every headline tells the story
• Is the problem a lasting one?
  • Isolate core issues:
    • Fear of this happening again
    • Covid-19 Diagnosis
    • Hospital Confinement
    • Mental Illness
    • Loss of work due to stay at home orders
• Validate with brokers and internal teams
Disability

• Voluntary Ownership Low
  • Sales declining
  • Market confusion
  • Trustmark’s product was old

• Need is critical, but doesn’t resonate
  • Wanted to understand need
  • Internal/Brokers not enough
Step 2 – Problem Solve

Generate Ideas
- New product?
- Changes to existing products?
- Reposition?

Validate Solutions
- Internal/External research
Poll Everywhere

Text: TMKSLM to 22333

Web: PollEv.com/tmkslm
Poll Everywhere

Text: LEAVE to 22333
COVID-19 Pandemic

• Solutions Through Insurance
  • Not all COVID-19 problems
    • State at home order
    • Loss of income
  • Develop a New Product
    • Timing concerns
    • Treatment/diagnosis
  • Modify Existing
    • Changes to contract language (Rider)
    • Reposition for marketing
• Long Term Solutions
  • Mental Health
Disability

I want coverage to be greater than 60% (21)
I want $ back or reduced premium over time (15)
I want a reason to believe that I need it (13)
I need a feeling of security (10)
I want coverage to be less expensive (10)
I want an easier way to file claims (10)
I want better communication (7)
I want to get paid right away (6)
I need to feel like I'm not wasting my money (6)
I want my spouse/family covered (5)
I want to cover additional expenses (5)
I want my employer to pay part of the premium (3)
Validate

Best ideas – can we do it?
• In Time?
• On budget?
• With resources?

Expected tension..

A framework can help....
Growth
- Profit Margin
- Revenue Potential
- Business Risk
- Customer Demand
- Market Uniqueness

Effort
- Business Model
- Investment
- People / Process Impact
- Communication Ease
- Technology
Back to Validation

• Now – you know you can do it... but should you?

Narrow the funnel one more time...
• Brokers
• Sales
• Final research?
• Compliance
• Pricing
• Timing
COVID 19 Pandemic

• Validate Short Term Solutions
  • Diagnostic Rider – CI
  • Add Specific Coverage for Treatment – HI
  • Reposition Existing Products – HI and CI

• Validate Long Term Solution
  • Broad Pandemic Coverage
    • Loss of income
    • Treatment/testing/diagnostic
  • Mental Health Coverage
    • Sales
    • Compliance
    • Pricing
    • Final research
Disability

Standard base coverage

• Off-the-job coverage
• Maternity
• Waiver of Premium

A la carte

• Jump start
• Claim-free return
• Partial disability
• Mental health
• Substance Abuse
• On-the-job coverage
• Interim Coverage
• It’s ‘Go’ Time
  • Make a plan
    • Consider marketing – internal/external
    • Sales cycle
    • Prioritize and iterate

“If you are not embarrassed by the first version of your product, you’ve launched too late.” - Reid Hoffman, LinkedIn Co-founder
Identify the Need

Problem

Solve

Validate

Implement
Evaluation Criteria

Growth
- Profit Margin
- Revenue Potential
- Business Risk
- Customer Demand
- Market Uniqueness

Effort
- Business Model
- Investment
- People / Process Impact
- Communication Ease
- Technology