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Letter To The Editor

RESPONSE TO CONSUMER DATA DISCUSSION



The December 2011/January 2012 issue of *The Actuary* contained two letters to the editor discussing the article, “Predictive Modeling with Consumer Data,” by Ksenia Draaghtel, ASA, MAAA. Follows is Draaghtel’s response to those letters.

DEAR EDITOR,

The Affordable Care Act clearly and unequivocally prohibits underwriting based on health status, as part of the law’s larger goal to transform the American health care system into one

that competes not on risk selection, but rather on quality and efficacy. My article, “Predictive Modeling with Consumer Data,” shows how insurers that are better at managing the care of less-healthy people can use consumer data to identify customers who are, under the reform calculus, less healthy and potentially more

profitable. The point of this article was to showcase how this consumer data can be used constructively and in accordance with the law.

I understand that unscrupulous individuals and companies may twist the use of consumer data into circumvention of the Affordable Care Act, and I do not condone it. However, consumer data also has the potential to unlock new business approaches that allow competition based on quality and efficacy. Actuaries are well suited to explore this potential.

Ksenia Draaghtel

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To read the letters Draaghtel is responding to, please scan the QR code or visit www.soa.org/consumerdataletters. 

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