



Hot topics in underwriting and claims

Andrew Wibberley
AFM Claims Conference
March 2019

> It's all about the claims...

- Access to insurance
- Resilience
- (Very) early intervention
- Reviewable exclusions
- Mental health
- Vaping





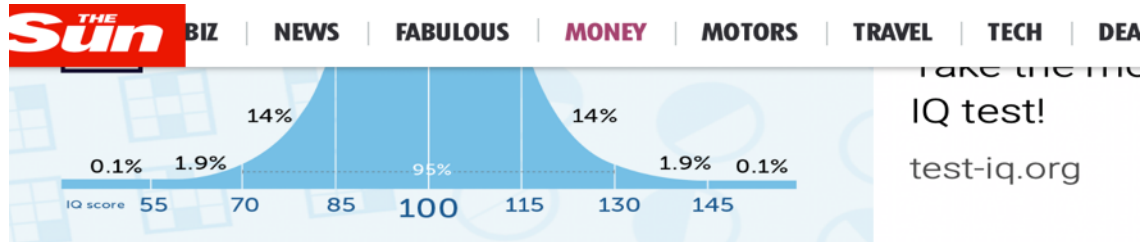
ACCESS TO INSURANCE

> Access to Insurance



- FCA Access To Insurance Call for Input
- Reinsurers, Insurers, Advisers, Charities collaborating
- Access to charities and government

> Access to Insurance



'IT'S DISGUSTING' Dad-of-four rejected for life insurance due to depression despite recovering years ago

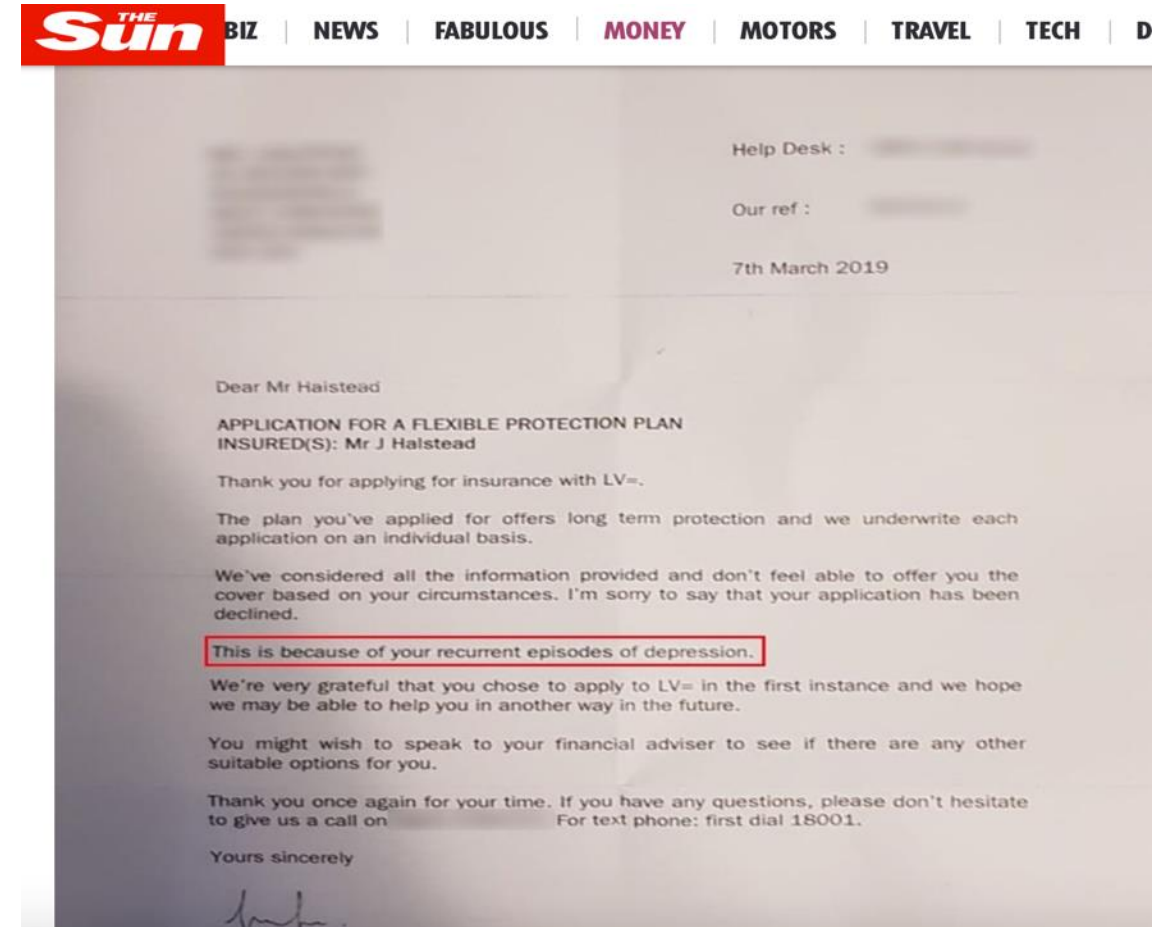
A 40 year old dad has been left "disgusted" after an insurer rejected his application for life insurance due to depression he says was cured years ago

By Sara Benwell

13th March 2019, 12:26 pm | Updated: 13th March 2019, 4:04 pm



DAD-OF-FOUR Jonathan Halstead has slammed insurance firm LV= for "utterly disgusting discrimination" after the company rejected him for life insurance.



Caxton House Declaration

We, the members of the Access to Insurance Working Group, are committed to improving access to insurance, specifically Protection insurance given the FCA work underway, for consumers with chronic health conditions and disabilities. We have four key aims:

- Develop a **signposting system for consumers**, supporting consumer groups and charities so they can easily access guidance and advice about insurance from protection specialists
 - **Improve the transparency of underwriting processes and practices** around chronic health conditions and disabilities for consumers, supporting consumer groups and charities
 - **Improve standards across all who distribute protection products** so that we create a framework for improving access to expert underwriting advice across financial, health and charitable sectors
 - Develop a proposal for **greater accessibility to insurance through the workplace**
-

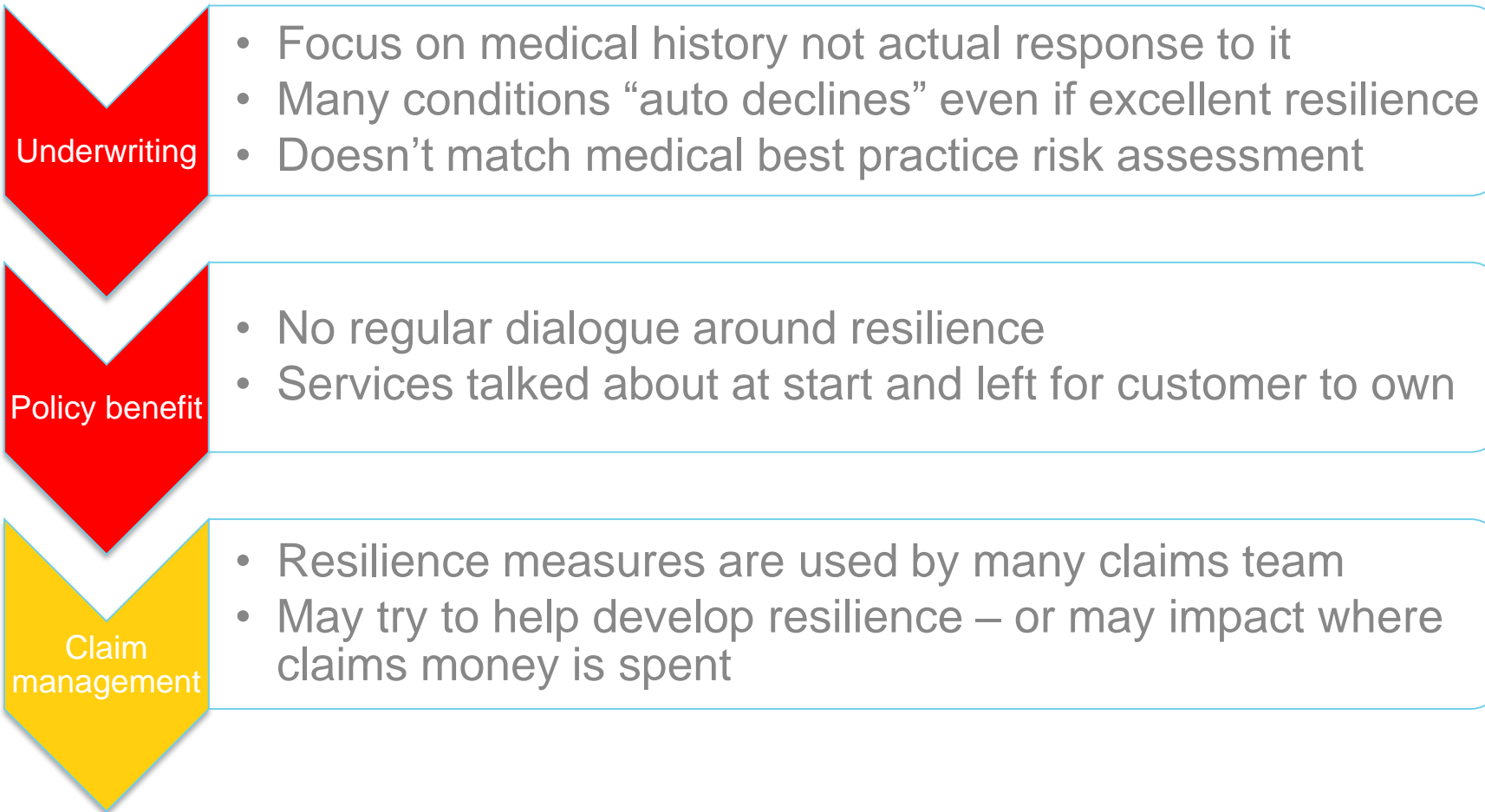
Terms of Reference

Workstream title	Underwriting Trust and Transparency					
Workstream purpose	To ensure there is a reasonable belief that individual protection policies are fairly underwritten to enable more confident conversations around protection to take place					
Workstream chair	Andrew Wibberley					
Workstream members	Carl Padget	Karen Proctor	Lynn Baillie	Helen Croft	Andy Parker	Helen Dick
	Pacific Life Re	Swiss Re	Gen Re	AIG	British Friendly	Scottish Widows
	Anna Rogers	Alan Knowles	Tim Boddy	Andrew Wilkinson	Steve Baldry	Martin Shaw
	LV=	Cura	Moneysworth	Moneysworth	UndewriteMe	Ass Financial Mutuals
	Leo Miles	Minesh Patel	Rosalie Hayes	John Eden	Graham Walsh	Roshani Hewa
	Macmillan	SCOPE	National Aids Trust	Huntingdon's Disease	ABI	ABI
	Hannah Regan	Lawrence Finkle	Dominic Guise	Wes McCranor	Adam Higgs	Nicky Bray
	FCA	CII	Cipher Risk	Cipher Risk	FTRC	Zurich
Scope and key issues	<ul style="list-style-type: none"> • There is little understanding of how underwriters make decisions, and therefore little ability to influence or question this • There is evidence that different insurers provide very different outcomes for the customer with the same information • The communication of decisions that are made varies significantly between companies • If people had more understanding and faith in the underwriting process there would be more inclination to recommend protection products 					
Workstream objectives & success measures	<ul style="list-style-type: none"> • Improve trust in and understanding of underwriting within advisers and charities in working group • Agree methods to improve trust and understanding of underwriting within broader community • Recommend best practice communications approach where non-standard decisions are made 					
Workstream deliverables	Deliverable name		Deliverable description		Date due	
	Overview of underwriting process and outcomes				Done	
	Detailed review of example conditions				May 2019	
	Identification of best practice communications				May 2019	

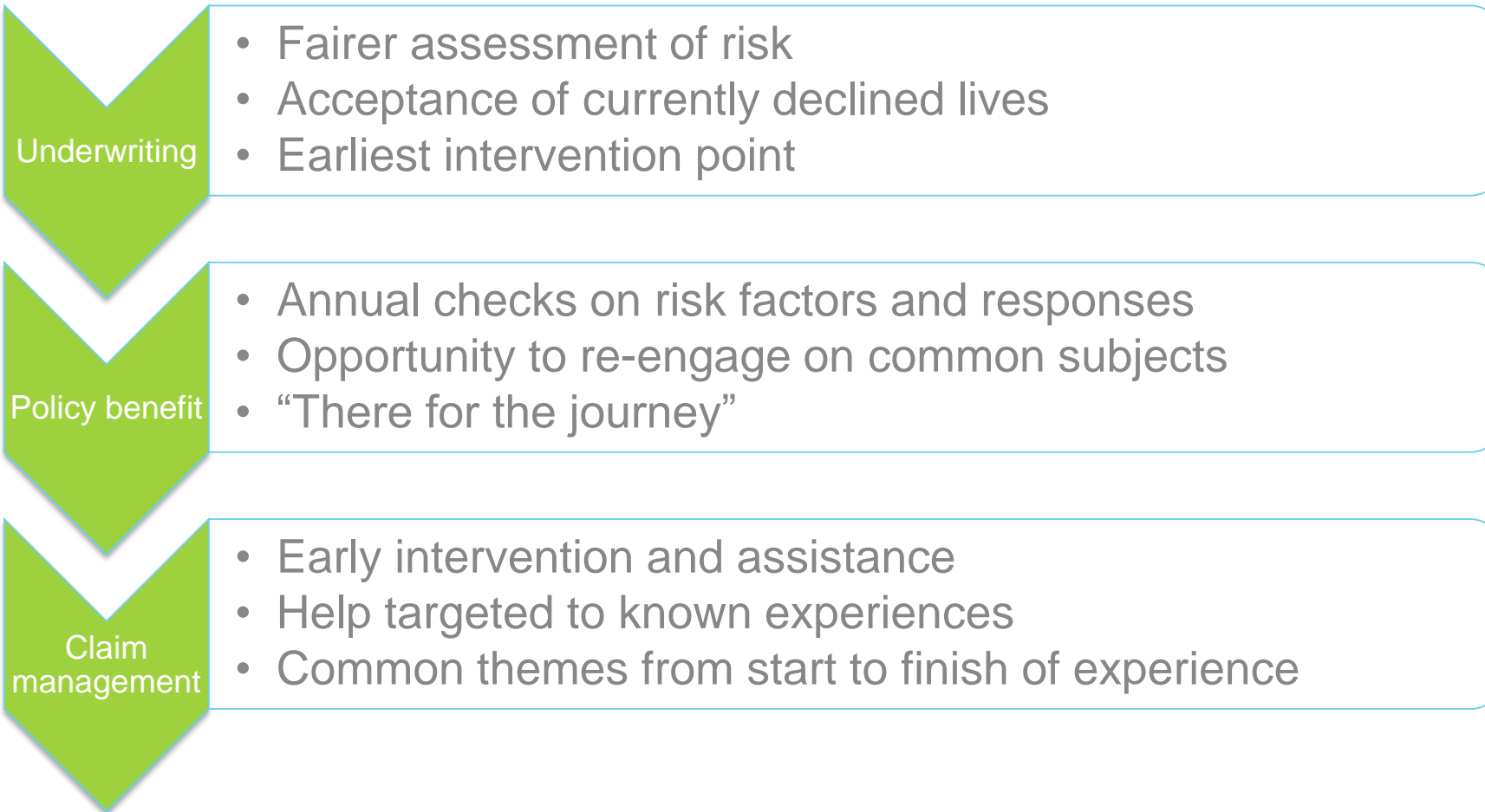


UNDERWRITING RESILIENCE

> Current use in insurance



> Future use in insurance

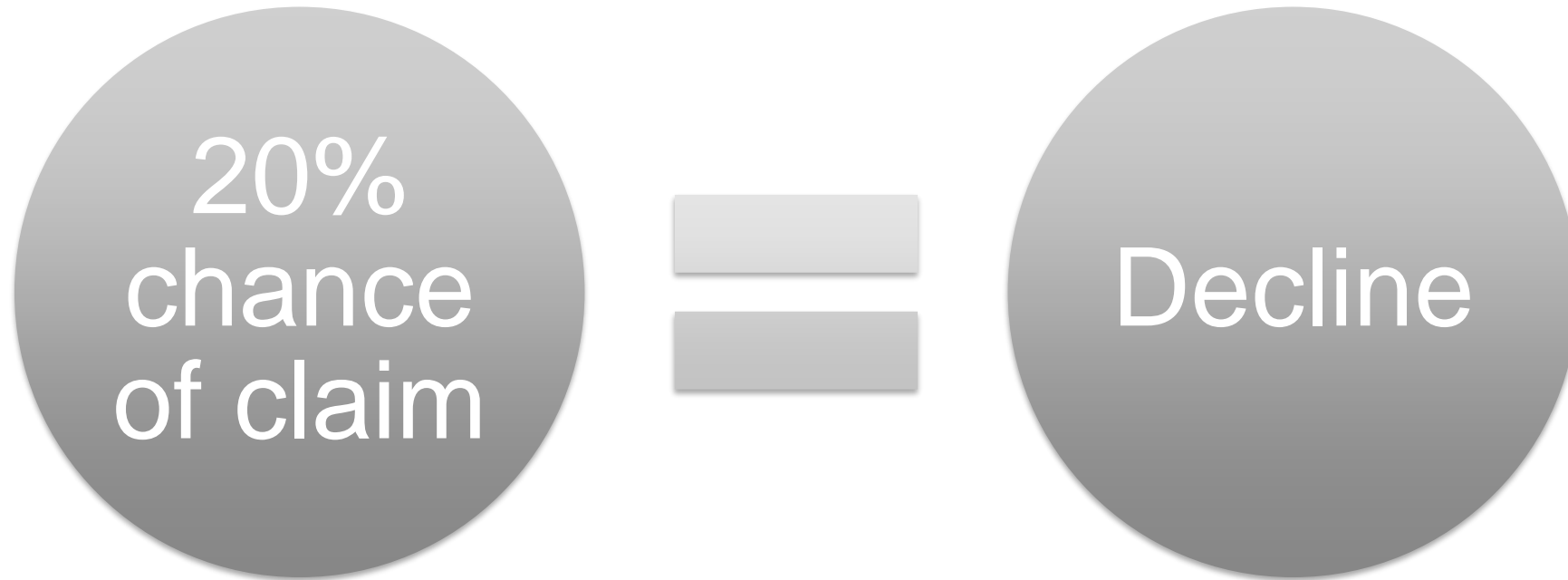


> Underwriting resilience

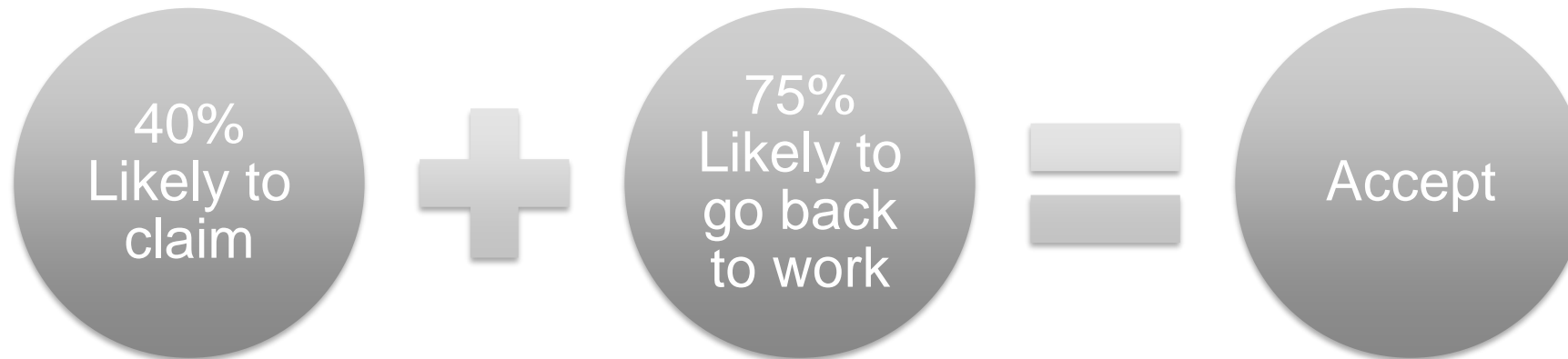


- We should spend as much time predicting resilience as predicting likelihood of the original incident
- Current focus – is x likely to happen?
- Future focus – what will impact of x be?
- Requires assessment of an individuals resilience and the effectiveness of support services with the product

> Underwriting today



> Underwriting in the future

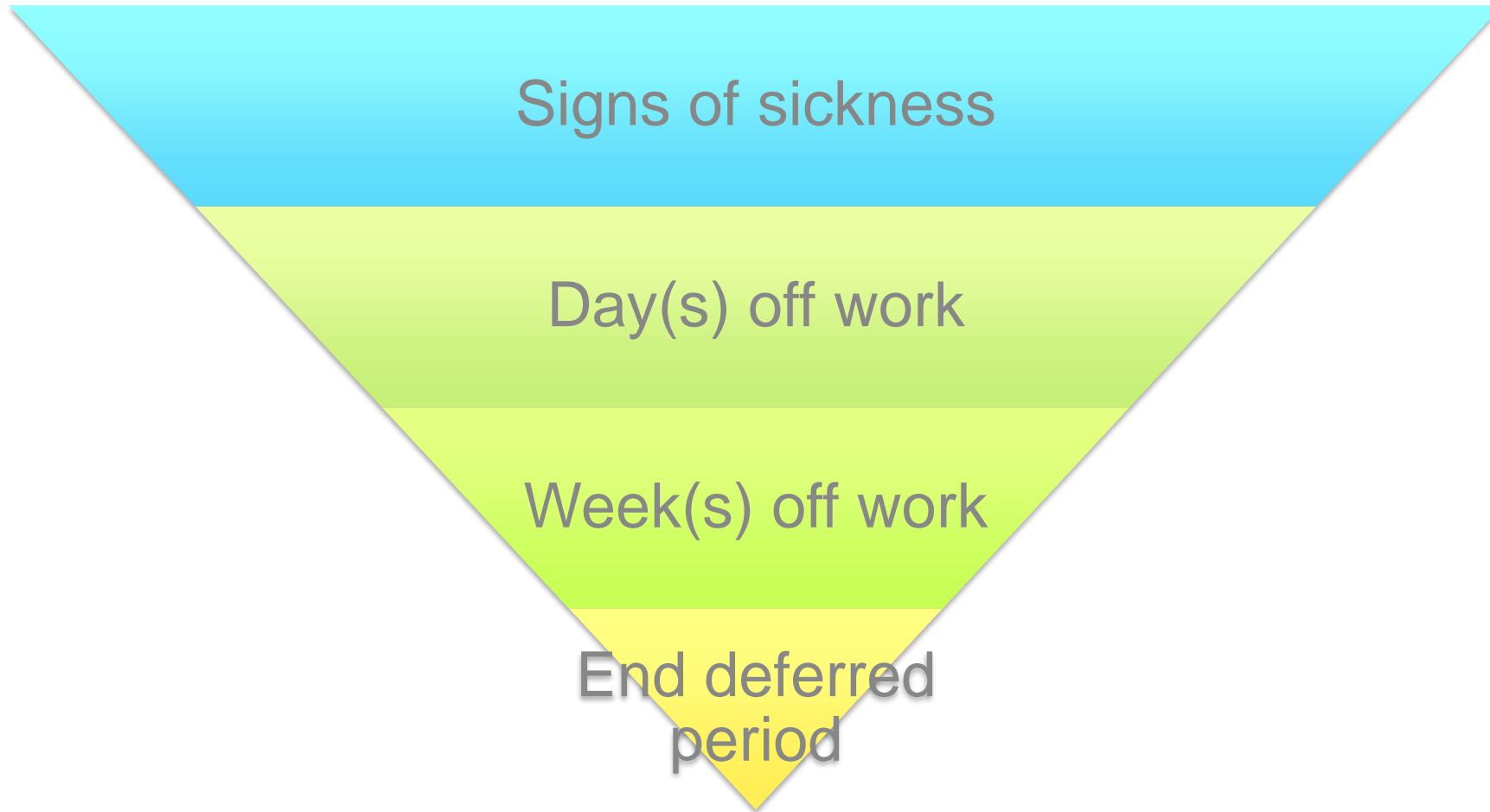


> Very early intervention

- How early can you intervene
- Links into member benefits / value added services



> Very early intervention





AND ALSO...

> Reviewable exclusions



- Increasing focus and area for differentiation
- One way bet for applicant?
- Claims input important around wordings of exclusions and extent of evidence gathered at review

> Mental health



- The most disclosed medical condition at underwriting stage
- The fastest changing area of diagnosis and prognosis
- The least confident underwriting basis
- Help needed!

> E-cigarettes – 2018 stats



- 95%
- 8 million
- 2.6 million
- 1.2 million
- 1 ½ insurers

E-cigarettes – video

WHAT'S GOING ON WITH E-CIGARETTES AND
INSURANCE?



0:02 / 1:47



> Summary



- It's all about the claim – putting claims expertise at the heart of the mutual
- Using claims knowledge to improve
 - Underwriting communications
 - Underwriting resilience
 - Exclusions
 - Approach to mental health