

TeleUnderwriting



A Paradigm Shift

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The History of Teleunderwriting



⌘ Teleunderwriting can be traced back to the late 80's when companies began using the telephone interview as a means of gathering risk related information from insurance applicants.

Teleunderwriting Process



⌘ A comprehensive interview is completed after the applicant completes a short form application that gathers basic facts but no medical information. The agent prepares the client in advance for the interview by advising someone will call from the insurance company. In many instances the client may complete an interview worksheet to list medical conditions for all family members.

Interview Logistics



- ⌘ In-House vs Outsource
- ⌘ Scripting
- ⌘ Systems
- ⌘ Team Configuration
- ⌘ Training
- ⌘ Cost

Mechanics of the Drilldown Interview



- ⌘ Information is captured in a rules-based engine through scripted questions that automatically reflex to specific condition related questionnaires. A highly trained underwriting assistant, underwriter or vendor will ask the scripted questions. The interviewer must be familiar with medical terminology, able to navigate the system, possess customer service skills including a pleasant friendly voice. All calls are recorded for auditing purposes.

- ⌘ The rules-based systems offer many advantages such as:
 - prompt the interviewer to conduct a thorough interview based on applicant responses
 - Centralize underwriting information
 - Reduce underwriting cycle time
 - Increase productivity
 - Reduce redundancy in re-asking the same questions

Mechanics of the Drilldown Interview

⌘ Example drilldown questionnaire:

⌘ **Application Question:**

- ⌘ Within the last 10 years has any applicant had any indication of, diagnosis of, or treatment for:
- ⌘ The lungs or respiratory system, including hay fever, allergies, asthma, bronchitis, tuberculosis, pneumonia, emphysema, sleep apnea or chronic lung disease?

⌘ **Answer:**

- ⌘ Yes, asthma, diagnosed 4 years ago, taking singulair daily and albuterol inhaler as needed.
- ⌘ Dr. Tip Tipton, Austin, Texas

⌘ **Drill Down Questionnaire**

- ⌘ When was the last episode of asthma? How often do you have asthma attacks? When was your last doctor's visit? Have you ever been hospitalized for this condition? If yes, when, how long, and what treatment was given? Is this condition associated with allergies? If yes, are shots used? If so, how often? Has there been any time lost from work or school with this condition? If yes, when did this occur and how many days were lost? Do you use tobacco of any kind? If yes, what kind and how often? Please get the medication bottles and read the labels. Is steroid treatment or inhalers required? If yes, provide details. What is the name of the doctor with complete and current medical records?

Mechanics of Drilldown Interview

⌘ **Application Question:**

- ⌘ Within the last 10 years has any applicant had any indication of, diagnosis of, or treatment for:
- ⌘ The heart or circulatory system, including high blood pressure, high cholesterol, heart attack, heart murmur, heart valve disease or chest pain, irregular heart beat, TIA, varicose veins, phlebitis, or blood clot?

⌘ **Answer:**

- ⌘ Yes, under treatment for high blood pressure. Good control. Taking accupril prescribed by Dr. Tip Tipton, Galveston, Texas.

⌘ **Drill Down Questionnaire**

- ⌘ When was the diagnosis of high blood pressure made? How is the condition treated? Pls get the medicine containers and read the labels and instructions. Has there been any recent medication changes? If yes, please explain. When was medication last taken? Is medication taken regularly or as needed? Have you experienced elevated cholesterol, gout, kidney stones, elevated blood sugar or heart palpitations that required treatment by your physician? Has your physician performed any special tests such kidney tests, heart tests or adrenal tests? If yes, when and what were the results? When was your last doctor's visit? Do you know your blood pressure readings? If yes, pls provide. Do you use tobacco in any form? If so, what type and when last used? Is the condition considered controlled? What is the name of the doctor with the most complete and current medical records?

Welcome to PEGA Underwriting Systems, MICHELLE

What would you like to do today?

Current Time: 1:55:32 PM
Current Date: June 9, 2006

Underwriting Tools are a click away

TOOLS

RESOURCES

[COMPLIANCE DATA BASE](#)

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[TPHI REPORT BY DATE](#)

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PENDING PHI

	FOLDERID#	PRIORITY	AGEING DATE	HOLD DATE	RECV DATE	DESCRIPTION
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						

Tech would select Application from group WorkBasket



The next group of questions will refer to any indication, diagnosis, or treatment of health conditions within the last ten(10) years for you and all applicants applying for coverage.

YES NO

Question 17

The lungs or respiratory system, including hayfever, allergies, desensitization, sinus infections, reactive airway disease, asthma, bronchitis, tuberculosis, pneumonia, emphysema, sleep apnea, or chronic lung disease?
The heart or circulatory system, including high blood pressure, high cholesterol, heart attack, heart murmur, heart valve disease or chest pain, irregular heartbeat, TIA(mini-stroke), varicose veins, phlebitis, or blood clot?
The Immune System, including but not

Yes response prompts drilldown questionnaire for condition

A	B	C	D	E	F	G	H	I	J
<input checked="" type="radio"/>	<input type="radio"/>								

A

- Abnormal Bleeding/Dysfunctional Uterine
- Abnormal Pap Smears
- Abortions/Miscarriages
- Acne
- Actinic Keratosis (AK)
- Addison's Disease
- ADHD/ADD
- Adhesions
- Adjustments/Manipulation Therapy/Osteo
- Adnoid Hypertrophy
- Adrenal Disorder
- Aids for Ambulation
- AIDS/ARC/HIV Testing
- Albuminuria
- Alcoholism/Alcohol Abuse

Or User can choose a condition from our Library of drilldown questionnaires

HXD30960

Who does this pertain to?

<input checked="" type="checkbox"/>	ADAM SCHENCK	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>

Click to Begin

ASTHMA/REACTIVE AIRWAY DISEASE(RAD)/REPIRATORY SYNCYIAL VIRUS (RSV)
 Why was medical care sought and at what age was the diagnosis of the lung disorder made?
 What triggers the episodes? When was the last episode?
 Is the condition continuous or recurrent? If recurrent, how often do symptoms occur?
 Is the condition of asthma considered ongoing, stable, partially corrected or resolved?
 How is the condition treated? Please get the medicine containers and read the labels. When was medication last used?
 Is treatment required daily, weekly, monthly? Please explain.
 Is steroid treatment, such as cortisone, used or is a nebulizer, oxygen or inhalers used?
 Has hospitalization ever been required? If yes, please explain and provide dates.
 Is there a past or current history of dermatitis? If yes, describe the condition and its treatment.
 Is the lung disorder associated with allergies? Are allergy shots used? If so, how often and when was the last treatment?
 What is the name of the doctor with complete and current medical records? Is a specialist seen? If so, please give the name and date of last visit.
 Is the condition ever disabling? If yes, please describe.
 Has there been a loss of time from work or school? If yes, please explain.
 Is there a history of tobacco use? If so, what type and when was it used?

Display Responses Reset ANSWERS Accept & Submit

TeleUnderwriting Improves Risk Triage



⌘ Accept, Decline or Order Requirements

⌘ Underwriting Tools

☑ RX Profile

☑ MIB

☑ EXAM

☑ Oral Fluids

☑ Medical Records

Market Adoption Rate (Risk Revisited)



⌘ Insurance Carriers

- ⌘ This article entitled, "Risk Revisited", highlights a survey conducted by Kathy Thomas, E.D. H.U.S.G., revealed, " 80 percent of 24 individual health carriers use teleunderwriting on some basis. Roughly, one in five now uses teleunderwriting on all new business. In others, the success of teleinterviews is leading to a gradual phasing out of traditional information-gathering."

Market Adoption Rate (Celent Survey 2004)



⌘ Producers

⌘ **Phoning It In: Teleunderwriting Comes of Age**

- ⌘ The Celent Survey explores five key areas of opportunity from teleunderwriting: 1) focusing agents on selling, 2) reducing costs, 3) reducing new business cycle time, 4) bringing new sales on line more quickly, and 5) progressing toward a future vision for new business.

⌘ **Are Agents Warming Up to Teleunderwriting?**

- ⌘ Q. How do you feel about teleunderwriting, i.e., letting someone else collect application data from your clients over the phone as part of the new business process?
- ⌘ A. 26% of agents prefer to control the application process, 24% like to have someone else take care of the application details and 50% responded it depends on the client and what they are selling.

- ⌘ **An important strategy in improving acceptance and adoption rate is to include the producers in the design and implementation phase of the program.**

Business Impact



- ⌘ Financial
- ⌘ Application Cycle Time
- ⌘ Risk Classification
- ⌘ Non-Disclosures

Conclusion



Teleunderwriting is an innovative way of doing business and it increases the efficiency of the underwriting process.