

LifeScore Med360SM | Proof of Concept Case Study

Company Profile:

Large, well-known insurance company issuing an estimated 70,000 policies per year, many with low face amounts and a business mix comprised of term, whole and universal life insurance.

Business Objective:

To grow their book of business and enable better pricing for customers through an increased policy "take-in" rate and better understanding of risk.

Key stakeholders:

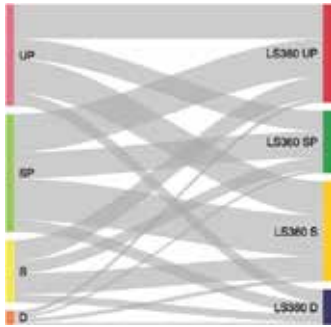
Chief Actuary and their supporting team.

Client Proposal:

To perform a retrospective study on insurer's historical and anonymous underwriting data by using LifeScore Med360 to score a segment of existing cases that would enable a comparison between the insurer's actual risk class placement and LifeScore Med360's recommended risk class placement.

The LifeScore Pilot:

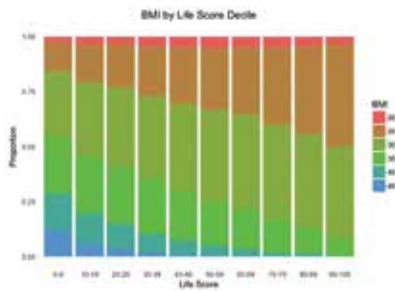
LifeScore Labs coordinated a pilot with the client, who delivered approximately 86,000 historical cases to the LifeScore team. These cases were then scored using the LifeScore Med360 model and thresholds were set based upon placement rates provided by client. The LifeScore Labs team performed the following activities:



Analysis 1

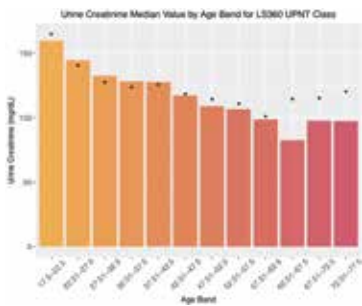
Risk Class Comparison: The LifeScore Labs client success team conducted an analysis that detailed the movement of individual policy-holders between the client assigned risk class and the LifeScore Med360 risk class designations. Analysis of the client assigned risk classes determined that 67% of the client cases had some risk class variance when using the LifeScore Med360 model:

- 35% of cases in a higher risk class
- 32% of cases in a lower risk class
- 33% of cases assigned to same risk class



Analysis 2

Attribution Analysis: With the risk class comparison complete, the LifeScore Labs team developed an attribution analysis that provided the client with details (driver variables) that may have influenced the client's historical placement decision including variables such as health-indicator, Rx history, requested face amount, amongst other variables.



Analysis 3

Impact Analysis: LifeScore Labs then provided an analysis that clearly identified the age/segments of the client Life population for which the LifeScore Med360 was determined to be most effective at capturing risk. This became the proposed focus segment for an initial rollout phase. Sample-client personas of individuals in each age, sex, tobacco status and risk class were developed to aid comparisons between the client-assigned risk class and the LifeScore Med360 classification.

Final Analysis

Mortality Experience Improvement: LifeScore Labs prepared a final analysis that provided the client with an estimated projection of the mortality experience improvement the client could expect by adopting the LifeScore Med360 model within existing underwriting processes.

Outcome:

Using the fully-scored file from LifeScore Labs, and all of the reports from our analysis, the client engaged a large, global reinsurer to verify our analysis and provide additional underwriting and actuarial perspective for the model results. The third-party reinsurer's follow-on analysis provided our client a high-degree of confidence to proceed with full implementation and concluded that LifeScore360 captured interactions between variables with a high degree of granularity.