Product development update
The presentation will cover **industry trends** in product development, particularly around how the product development process has evolved in recent years and **where the industry should be focusing going forward**. Topics will include **governance, organizational structures, and process improvement**. The second half of the presentation will cover **the product development process** and **current initiatives** at a life insurer.
What is a reinsurer doing here?

Who am I and what brought me here?

What lenses do I have on when looking at this?

What's my interest in this?
1. Hello, goodbye: Past vs Future in Product Development
2. A day in the life: How I live through these changes
   - Governance
   - Organizational structure
   - Process improvement
3. Twist and Shout: Focusing on the future
   - What’s in it for me?
Hello, goodbye
Product development and actuaries: Past vs Present

Traditional

- idea
- test
- develop
- go!
- build
- launch
- tweak
- next project

New mindset

- ideation
- implementation
- development

next project
Propelling forward: What’s next

Increased analytics and level of detail
- Finding new solutions to old problems

Use technology to our advantage
- Communication, learning, information sharing

Think beyond our traditional roles
- Product development vs pricing vs marketing

Go beyond our traditional go-tos
- Models and techniques used
How does this impact the organization?

Process
- Communication is key
- Document the how's and why's

Organizational Structure
- Allocate resources where they make most sense
- Make timely decisions

Governance
- Know your limits (and thinking outside the box)
- Ensure that this all works

Feedback
Within our organization

An example within our organization

Focused growth

- Research, Analytics, Underwriting
  - Client Solutions
    - Bespoke UW solutions
  - Integrated Analytics
  - Integrated Underwriting Solutions
  - Traditional Underwriting
  - Actuarial Research and Development
    - Auto UW engine, startups, implementation
    - Medical, large case
    - Mortality assumptions

Driving Innovation

- Increasing Accountability
- Leveraging new partnerships
Model-driven marketing and underwriting: emerging global practice

1) Data integration

2) Rules & scoring automation

3) Offer presentation

Customer and policy data
Partner data
Appended data

risk & marketing profile

Predictive UW

Next best offer

Propensity to buy

web / call center

insured
agent

13 November 2017
Predictive models to triage underwriting

External data appended:
- Insurance History
- Prescriptions
- Driving Record
- Credit
- Lifestyle (social, demo…)
- Emerging (EHR, wearables, etc.)

Application & Tele-Interview

Predictive models:
1) triage
2) smoker

Rules-based Automated UW

Manual UW

Risk Class

Traditional data:
- Medical Lab Results
- Attending Physician Statement
- Income & financial info
### Predictive models to build a smoker predictor

#### Area Predictor Direction

<table>
<thead>
<tr>
<th>Area</th>
<th>Predictor</th>
<th>Direction</th>
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<tbody>
<tr>
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<td>Face amount</td>
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</tr>
<tr>
<td></td>
<td>Home value</td>
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</tr>
<tr>
<td></td>
<td>Client issue age - older</td>
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<tr>
<td></td>
<td>Dog owner</td>
<td>▲</td>
</tr>
<tr>
<td>Location</td>
<td>Counties, grouped (i.e. Orange CA, Westchester NY, Salt Lake UT, Fulton GA)</td>
<td>▼</td>
</tr>
</tbody>
</table>

#### Smoker Rate by Decile

![Graph showing smoker rate by decile](https://via.placeholder.com/150)
Across the universe
Global innovation structure
Plug and Play Ecosystem

Sourcing
- Universities
- International
- VCs
- Events
- Corporate Partners

Accelerator
- 1000 REVIEW
- 100 SHORTLIST
- 40 PITCH
- 20 ACCEPTED

Network Matchmaking (Alumni)
Leveraging global experience to expand insurability

In the U.S.
- HIV
- Breast Cancer - exploring
- Underwriting liver diseases - implemented

Around the globe
- Critical Illness experience
- Morbidity and longevity risk experience
Twist and shout
What should we focus on going forward?

For the industry
- Be proactive with the change
- Know the customer better
- Ensure that we are positioned to deliver

For yourself (and our industry)
- Encourage yourself get out of your comfort zone
- Remember not to live in a vacuum
- Pay it forward