



# **Underwriting Tools & the Elderly Market**

**Presented by  
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one **AVIVA**  
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# What has brought us to this point?



- Growing population of senior individuals
- Knowledge that there is a better way to assess these risks
- Increasing longevity with enhanced medical care
- The group is more diverse than we thought
- Questionable pricing at older ages
- Premium financing and secondary market
- Large commissions

# You make the decision to enter this market, what now?



- What do you call it / what age
- Proper products
- Experienced Underwriters and medical staff, training required
- Manual with appropriate focus
- Good legal department
- Communicate your decision
- Choose your vendors
- Find proper reinsurers

# Finally, change the underwriting



- Why change?
  - Guard against anti-selection
  - improve selection process
  - improve mortality
  - better pricing

# What changes to consider



- Change the basics
  - Include cognitive and functional tests
  - Consider new lab tests
  - What to do with treadmills
  - Change the IR and add STOLI questions
    - Focus on lifestyle and independence
    - Ask the right questions the right way
  - Consider new APS rules and training

# And more...



- MVR – get one
- MIB – get IAI and Plan F
- Watch the finances
  - What’s the purpose – verify
  - Source of premium (20% rule)
- Consider RX profile
- How long to use requirements
- Change preferred / select guidelines – how many classes

# Keys to successful implementation



- Test must be objective
- Non-discriminatory process
- Minimize intrusiveness
- Safety of applicant
- Consistent application of tests through clear directions
- Communicate and train (on-going)

# What makes a good “older” risk?



- Physical fitness is the most important aspect for an older risk (use it or lose it)
- Social engagement – friends, hobbies, pets, church...
- Good regular medical care with appropriate screening exams
- Stable weight and labs
- Well nourished
- Moderate alcohol
- Reserve

# Questions & Answers