WAHLU presents…

UNDERWRITING POTPOURRI 2012

Hank George, FALU, CLU, FLMI

WAHLU is on a roll!

Thanks to our outstanding Executive Committee, WAHLU has made major strides in all areas

WAHLU has emerged as a role model underwriting association for others that struggling

Every underwriter in Wisconsin should be a member!

Note: The observations and opinions expressed herein are solely those of the Cheesehead curmudgeon who designed and (dis)colored these slides

PACKERS

13 – 3

Over Lions for NFC Title

Over Patriots in Superbowl

BADGERS

Final ranking # 5

Over Michigan for Big Ten title

Over USC in Rose Bowl

HOT NOTES

is a FREE Monthly underwriting e-newsletter

25-30 pages per issue – 1700 subscribers

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is a FREE clearinghouse with links to articles published on the Internet plus original content

2250 members in 52 countries

BLAST every 2 weeks announces latest content.

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Have you taken the
HOT NOTES *survey?*

All participants in drawing for

$75 AMAZON gift cards.

If 250 people take it,
your odds of winning = 1 in 25!

“SMART” PARAMEDICAL

Medical history taken on a laptop or I-Pad with drilldowns of YES answers

Will replace conventional paramedicals

Should be enhanced with recordings

Could an Achilles’ heel be face-to-face disclosure of sensitive histories (psych, drugs)?

Rx Profiles are Surging

2007 – 6%

2011 – 56%

Top 25 – 75% in 2011

2014 – 100%

Why is Rx Profile use going to be universal?

- Low cost
- High protective value
- Rapid access/teleinterview-compatible
- Credibility
- Action-friendly (act without confirmation)
- No producer, client or regulator pushback
- 75%+ “hit” rate
- Prevalence of polypharmacy in elderly

What is the most overlooked aspect of Rx profile content?

Applicant <u>non</u>compliance with taking medication as prescribed

Why is this important?

Noncompliance is a major unrecognized contributor to excess mortality

Leading cause of "refractory" hypertension and hypercholesterolemia

Applicants nonadherent to Rx are also more likely to smoke, not wear seat belts, be sedentary, have psychiatric problems, not follow other medical advice, etc.

SUPER-SIMPLIFIED

- Between full underwriting and traditional simplified (knockouts only)
- Teleinterview, Rx profile, MVR and MIB are the anchor assets
- Ages 18-60; grading down from $500K

Has your company taken the 2012 Simplified Underwriting Survey?

NT-proBNP

One of the 2 fastest growing requirements since HIV screening!

2007 – 5%

2011 – 45%

Top 25 Insurers – 62% in 2011

NT-proBNP holds the record for:

"Most Bull— Written or Spoken About a Test in Underwriting History"

It staggers the mind to see the nonsense coming from people who should know better!

Let's get to the bottom lines…

NT-proBNP reflects increased intraventricular pressure, a feature of virtually all pathologies affecting the heart. This makes NT-proBNP our…

#1 screening test for cardiac diseases

#1 reflex test for murmurs, cardiac symptoms at all ages, and for cardiac complications in all contexts

Cystatin C

- Superior to creatinine in elders; muscle mass false-negatives with creatinine
- Will become the template for e-GFR
- Synergistic with NT-proBNP; ideal combination for elder screening

eGFR

between 45 and 59 is being
over-debited at older ages
in the absence of microalbuminuria
or other evidence of
significant renal impairment!

RED BLOOD CELL DISTRIBUTION WIDTH (RDW)

All-cause mortality marker, independent of anemia

Significant only when elevated

Found on every CBC

Check it on every APS

PSA

- Screening is mainly a defensive measure for sentinel effect against antiselection

- Free-PSA should be routinely used when PSA is 2.5 – 4.0 ng

- All results should routinely be reported to insured or his MD

CDT is a great asset when we really need it and use it properly

But 50% are ordered needlessly

Male, age 50

Isolated GGT 150 U/L

CDT negative

Now what?

CDT Absolute Indications

1. History of alcohol use disorder at any time in the past

2. DWI/DUI within 10 years if no interim assessment for alcohol disorder

3. Elevated MCV on APS with no other evidence of alcohol abuse

Tobacco Underwriting

1. Use **PACK YEARS** to modify approach to current and former cigarette smoking

2. Rethink "risk" with oral tobacco

3. Scrap goofy "celebratory cigar" rule

4. Water pipe (narghile, hookah) use is increasing in mainstream young adults; they **THINK** it is less harmful and *they will lie about tobacco use!*

There is **ZERO** mortality risk in recreational marijuana use by adults

Our current flawed practices force people to lie!

Chronic Hepatitis C

- Incidence of cirrhosis and liver cancer will increase steeply through 2025
- ALT is normal in up to 50%
- 3-fold increase in HCV among diabetics
- Age/amount HCV antibody screening is indicated at ages 50 and over

TYPE 2 DIABETES

- ***PREFERRED DIABETIC*** **is oxymoronic**
- **DM *always* confers excess mortality**
- **HbA1-c and microalbumin tests are obligate**
- **Bariatric surgery may be the 1st "cure;" expect huge increase in its use for stage 1 obese diabetics**

TROPONIN

- When elevated, it must be the heart…but there may no evidence of damage on any test
- Magnitude of elevation correlates with long-term excess mortality
- Here comes high-sensitivity troponin, assuring a soaring number of cases where it is detected

Predictive Modeling
based on
Laboratory Screening Tests
and
Physical Measurements

CULTURE SHOCK

“High normal” and “low normal” findings can substantially impact scores

The clinical evidence supporting this is ROBUST

Here are some examples…

Bilirubin is **INVERSE** to mortality; **Gilbert syndrome** deserves <u>credits</u> against CV risk profile!

High normal GGT strongly impacts CV mortality

Low normal serum albumin highly significant

Prehypertension statistically justifies debits

Diastolic BP < 65 = ***RED FLAG*** at age 70+

Pulse > 75 bpm has excess all-cause death rate

*** At least 15 companies now use lab scoring**

*** All will consider *at least* one, sooner or later**

*** Scores should be used in context with all other risk information at hand**

*** High scores will have the biggest impact**

How will producers, clients and attending physicians react when adverse action is taken on what they consider "normal" findings?

THE WOLF IN SHEEP'S CLOTHING

Predictive Modeling based on Personal Purchase Records

* Inference-based underwriting

* Most chief underwriters oppose this

* Producers, clients and regulators will blow a gasket

THE GREAT AUDIT DEBATE

QUALITY?

PRODUCTIVITY?

Remote underwriting
will continue increasing until
most underwriters work from home

Outsourcing
underwriting and APS
summaries
will also grow substantially

The most precious asset we underwriters have is our professional association infrastructure

Why?

Because in difficult times,
it isn't as much "what you know"
as "who you know"

…and for most underwriters the only opportunity for significant networking is local/state association events

OUR
GREATEST
NEMESIS
IS

APATHY

Some insurers' practices when "laying off" underwriters are appalling

AHOU and other associations should make helping underwriters their FIRST priority!

Change = Opportunity

Carpe diem!

Thanks for listening

Live long and prosper!

Hank