



# Individual Life Accelerated Underwriting Survey



## 2024 Summary of Results

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## Background

Gen Re is pleased to present this summary of key highlights from our *2024 Individual Life Accelerated Underwriting Survey*.

The full report covers topics including throughput rates, sources of underwriting evidence, mortality experience, and pre-/post-issue auditing tools. The full report is made available to participating companies only.

Since the inception of the survey in 2021, Gen Re has collaborated with carriers, through an initial Steering Committee and a newer AU Study Group, to help guide the study framework and content.

Thirty-eight Individual Life insurance carriers participated in this study. Gen Re recognizes that carriers may be at varying stages of implementation with their Accelerated Underwriting workflow.

Along with the survey questionnaire, a corresponding flow chart of the Accelerated Underwriting Workflow was provided to participants to help clarify the targeted data points.

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## Participating Companies

- Allianz Life
- American National Insurance
- Amica Life Insurance Company
- Axcelus (formerly Lombard International)
- Catholic Order of Foresters
- Cincinnati Life Insurance Company
- Constellation Insurance
- Equitable
- Erie Family Life
- Farm Bureau Financial Services
- Farmers New World Life
- Federated Life Insurance
- Fidelity Investments Life Insurance Company
- Massachusetts Mutual
- Modern Woodman
- National Life
- Nationwide
- New York Life
- Northwestern Mutual
- Pacific Life Insurance Company
- Penn Mutual Life Insurance Company
- Physicians Mutual Insurance
- Primerica
- Principal
- Protective Life
- Prudential
- RiverSource Life
- Royal Neighbors of America
- Sammons Financial
- Securian Financial
- Sentry Insurance
- State Farm
- Tennessee Farmers
- Thrivent
- USAA Life
- US Alliance Life
- Woodmen Life
- Wysh Life

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# Survey Definitions

## Accelerated Underwriting

For the purpose of this study, Accelerated Underwriting (AU) refers to any underwriting workflow which aims to decrease time from application to issue for applicants who meet criteria that qualify them to bypass a paramedical exam and/or fluid collection. Programs may include some combination of the following:

- Collection of medical underwriting sources (MIB, Rx History, Health Records, Clinical Lab History, etc.)
- Collection of non-medical data including credit attributes, motor vehicle records, etc.
- Expanded application/tele-interview process
- Use of technology/tools to assist in the review and approval of applications (automated underwriting)

Data provided in this study is for AU workflows used with Individual Life insurance products only.

## Mortality Slippage

Mortality slippage is defined as the ratio of the expected mortality of all AU-eligible policies that had the fluid test and/or paramedical exam waived to the expected mortality for all fully underwritten policies.

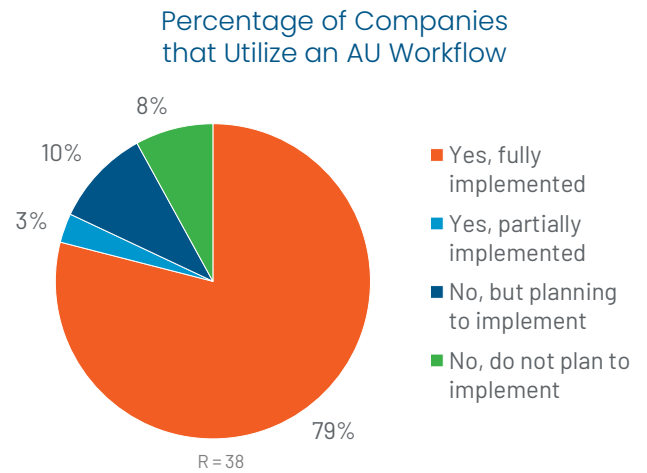
## Simplified Issue (SI) & Guaranteed Issue (GI)

For this survey, SI/GI business is defined as a simple non-invasive underwriting process with few health questions, some instantaneous underwriting data requirements, and an automatic approved/decline decision. Companies were asked to exclude any SI/GI business from the metrics reported.

Status of Accelerated Underwriting Workflow

Most companies (82%) have either a fully implemented or a partially implemented AU workflow. Ten percent do not currently utilize an AU workflow, but plan to implement one in the next two years. Three companies reported that they do not currently have, nor do they plan to implement, an AU workflow at this time.

For those companies with fully implemented workflows, the length of time a workflow has been in place ranged from less than one year up to 11 years. Companies with partially implemented workflows have typically had pilot programs in place for less than two years.



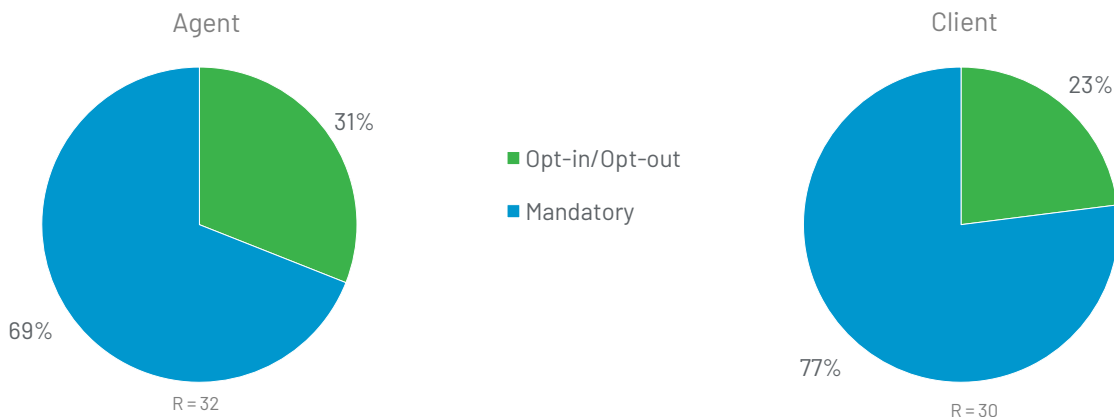
Length of Time Workflow Has Been in Place	Number of Companies
Partially Implemented <1 year - 3 years	1
Fully Implemented <1 year - 3 years	10
Fully Implemented 4 years - 6 years	13
Fully Implemented 7 years - 11 years	8

Companies that do not currently utilize an AU workflow noted technology barriers, mortality slippage concerns, low application volume, cost of implementation, agent acceptance, and limited resources as reasons they are unable to implement a program at this time.

Opt-in/Opt-out Versus Mandatory Workflows

For many companies, an AU path remains mandatory for agents and clients if the application meets eligibility requirements. Some companies allow the agent and/or client to choose an AU path, although most systems automatically opt-in an application, and require the agent to manually opt-out if they wish to do so.

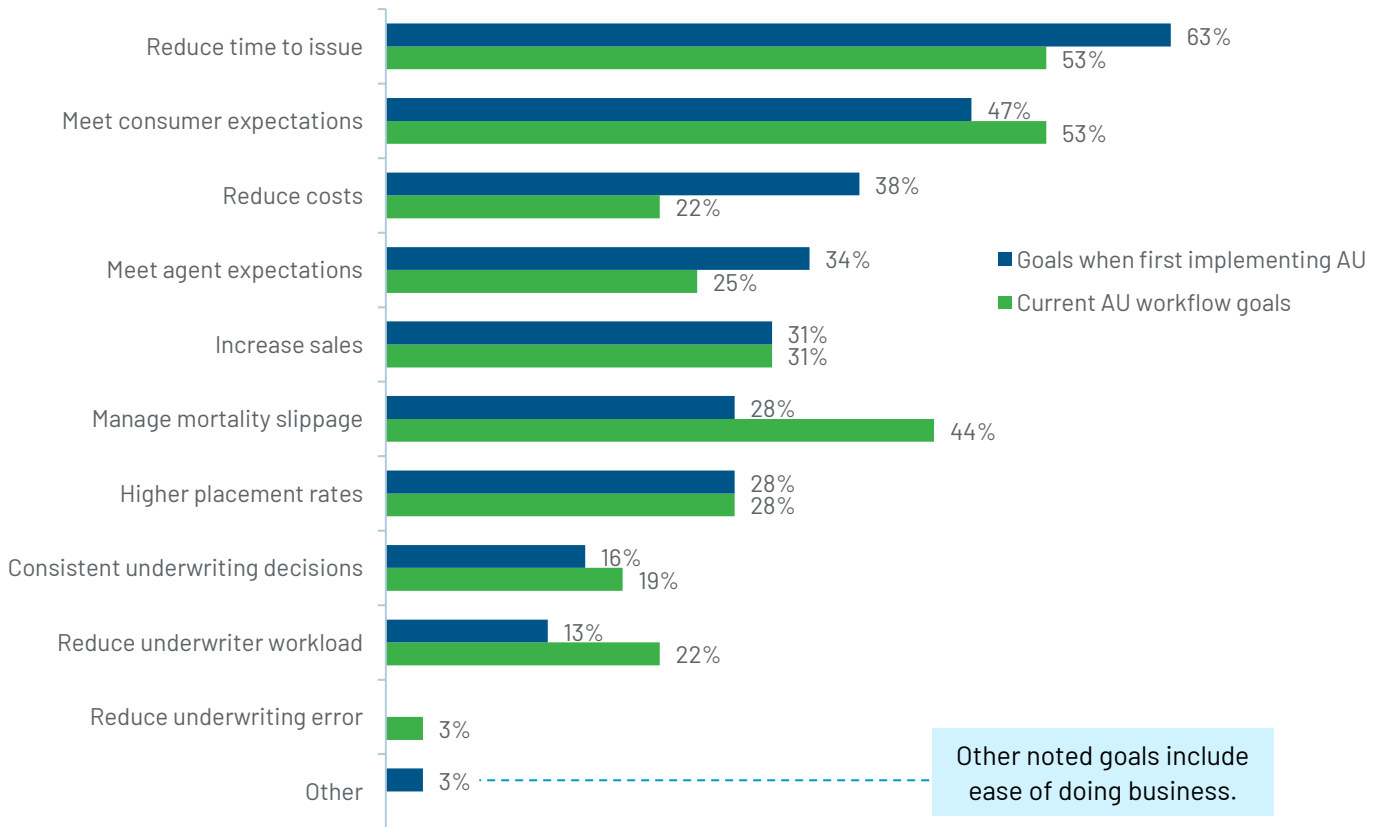
Opt-in/Opt-out Versus Mandatory Programs



Program Goals

Participants were asked to rank their top three AU goals when first implementing AU, and then rank their current workflow goals. Year over year, reducing time to issue remains the top AU workflow goal for most companies. Meeting consumer expectations and managing mortality slippage continue to rank highly as well.

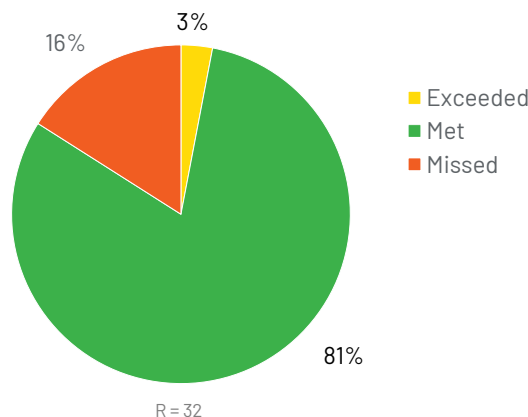
Ranking as a Top Three Program Goal (Percentage of Companies)



R = 32

Most companies (81%) report meeting their AU goals. Only one company reports exceeding their goals, while 16% report missing them.

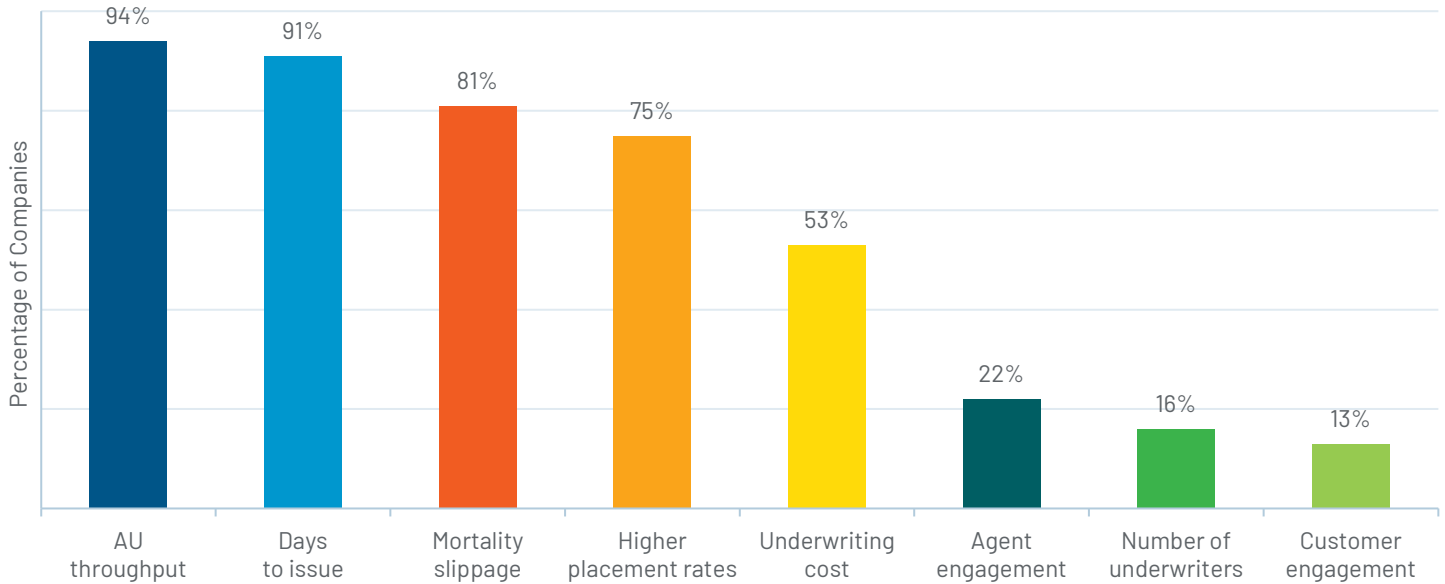
Percentage of Companies Meeting AU Goals



### Tracking Accelerated Underwriting Program

The majority (94%) of participating companies use AU throughput percentage for tracking the success of their AU workflow. Other commonly used metrics include days to issue, mortality slippage, and placement rates.

#### Metrics Used to Track AU Success



R = 32

### Underwriting Rate Classes

Companies typically offer four non-tobacco and two tobacco underwriting rate classes (standard or better) through their AU workflow. The number of non-tobacco rate classes ranged from a low of three to a high of eight. For tobacco rate classes, the number ranged from a low of one to a high of three.

#### Average Number of Underwriting Rate Classes Offered Through AU Workflow

Implementation Status	AU Workflow		Full Underwriting Workflow	
	# of non-tobacco classes	# of tobacco classes	# of non-tobacco classes	# of tobacco classes
Overall	4	2	4	2

R = 32

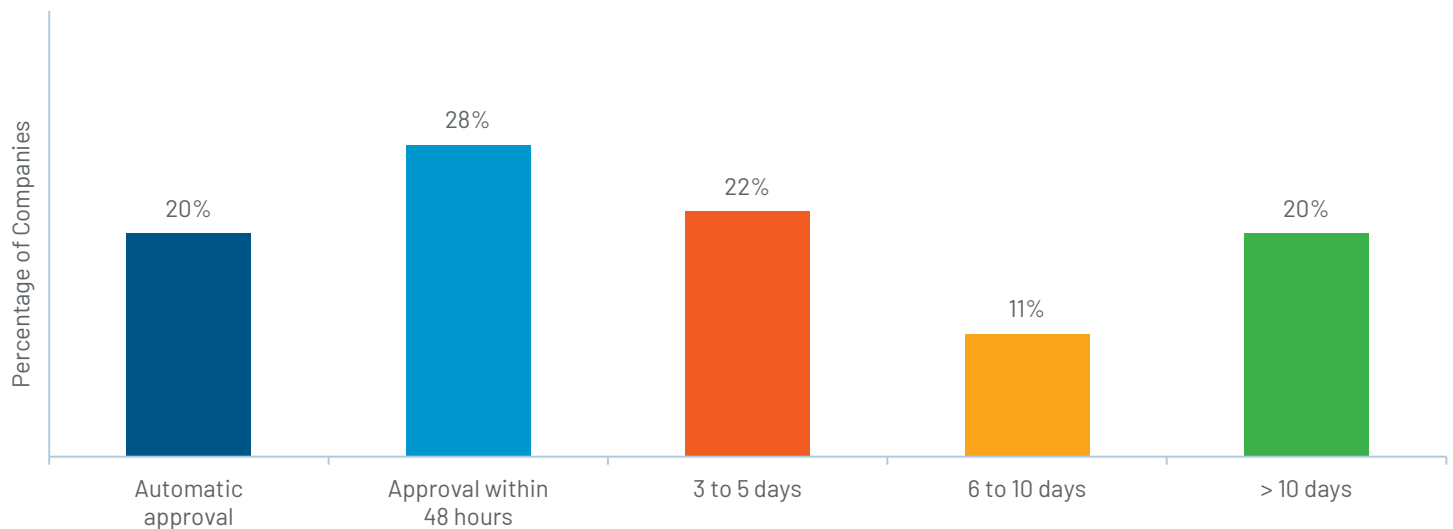


## Underwriting Decision Time

On average, companies that have an AU workflow see an improvement of 18 business days from application submission to final decision compared to full underwriting workflows. Out of the 31 companies responding, the average number of days from application submission to final underwriting for AU workflows is 5 days, while the average for full underwriting is 23 days.

For policies that receive an AU approval, the time that elapses from application submission to final underwriting offers varies greatly by company. Only 20% of AU applications are automatically approved.

### Average Approval Time from Application Submission to Final Decision for AU Workflow



R = 29

## Accelerated and Automated Underwriting Workflows

### AU Eligibility

Of the total Individual Life applications processed, 57% were eligible for AU. Of those eligible applications, 14% were approved through an automated workflow and 36% were approved with human underwriter review.

### Automated Workflow

The average percentage of AU eligible applications sent through an automated workflow was 17%. Eighty-three percent of applications are typically auto-approved, while 9% are auto-declined. An average of 8% of applications are noted as being incomplete, withdrawn, postponed, or pending.

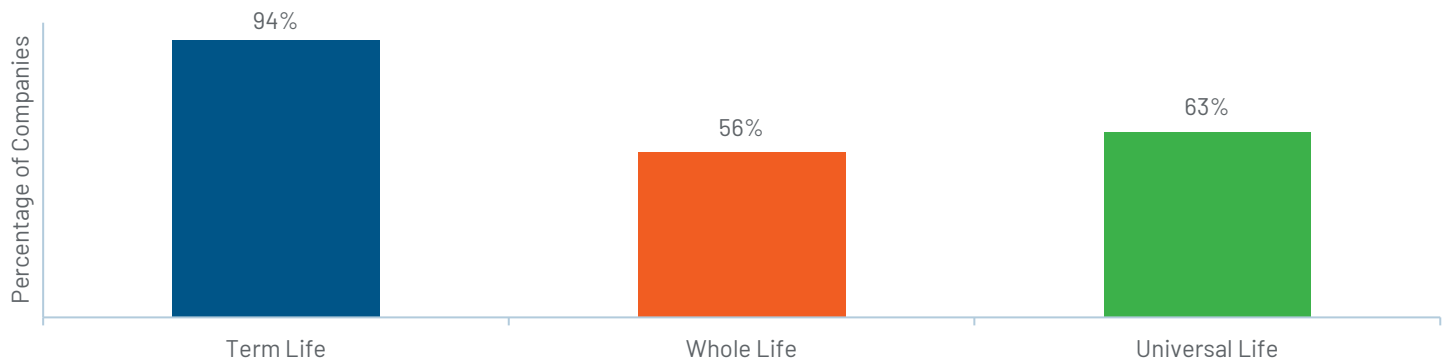
### Human Underwriter Review

Eighty-three percent of AU eligible applications require some level of human underwriter review. Forty-three percent are approved and 8% are declined without additional requirements being ordered. Thirty-nine percent of applications that cannot be approved or declined are sent back to full underwriting (paramedical exam/fluid check). Some applications (10%) cannot be approved or declined simply by underwriter review and require additional underwriting sources, such as an Attending Physician's Statement (APS).

## Accelerated Underwriting-Eligible Products

Almost all (94%) companies offer a Term Life product through their AU workflow. Other Individual Life products eligible for AU include Whole Life (56%) and Universal Life (63%).

### Percentage of Companies Offering by Product Type



R = 32

When asked about AU program material exclusions not related to underwriting guidelines, 59% of companies reported that they do have exclusions, while the remaining 41% do not. Common exclusions include: state (specifically New York and Colorado), certain products, application type, citizenship, and distribution channel.

### Average Product Parameters for AU-Eligible Term Life Products

Term Life	Average	Median	Low	High
Minimum Issue Age	18	18	17	25
Maximum Issue Age	57	60	45	65
Minimum Face Amount	\$104,833	\$100,000	\$10,000	\$250,000
Maximum Face Amount	\$1,891,667	\$1,500,000	\$500,000	\$7,500,000

R = 30

### Average Product Parameters for AU-Eligible Whole Life Products

Whole Life	Average	Median	Low	High
Minimum Issue Age	18	18	0	21
Maximum Issue Age	59	60	45	80
Minimum Face Amount	\$62,778	\$50,000	\$10,000	\$100,000
Maximum Face Amount	\$1,708,333	\$1,000,000	\$250,000	\$7,500,000

R = 18

### Average Product Parameters for AU-Eligible Universal Life Products

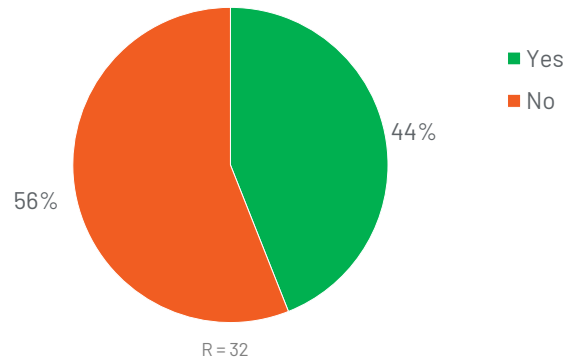
Universal Life	Average	Median	Low	High
Minimum Issue Age	17	18	0	25
Maximum Issue Age	58	60	45	65
Minimum Face Amount	\$82,500	\$100,000	\$50,000	\$100,000
Maximum Face Amount	\$2,275,000	\$2,000,000	\$500,000	\$7,500,000

R = 20

### Applications

Forty-four percent of companies report using a Behavioral Economics (BE) approach in developing AU application questions. Companies that have BE approaches in place typically partner with reinsurers and/or research and data analytics teams for guidance, with 36% of companies tracking disclosure rates before and after implementing BE tactics.

Percentage of Companies That Use Behavioral Economics to Develop AU Application Questions

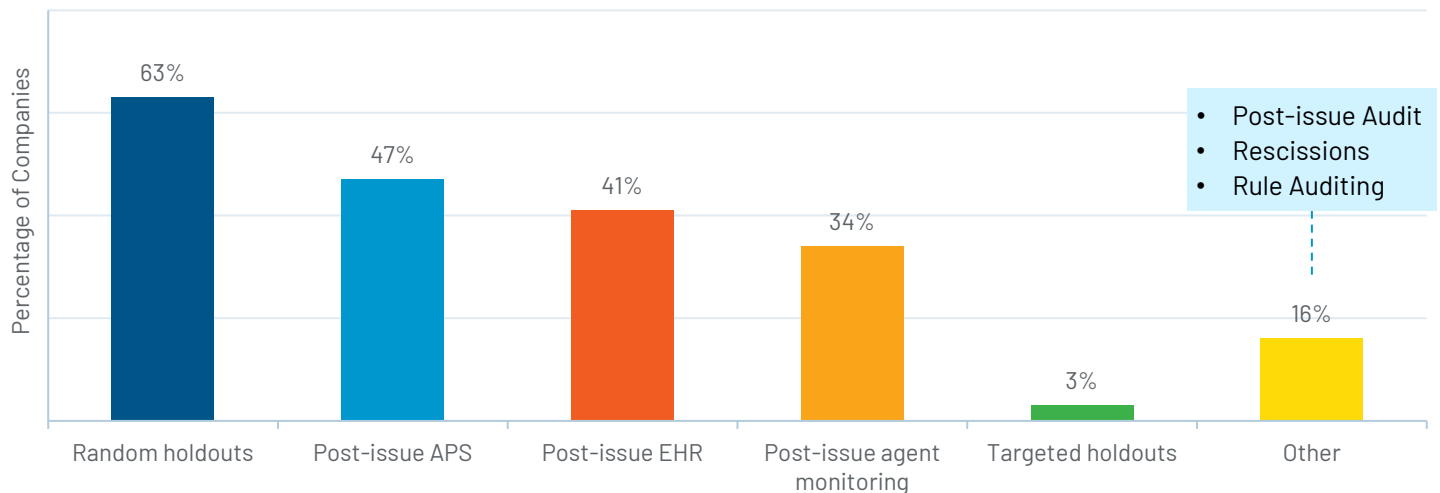


### Pre- and Post-Issue Controls

Ninety-one percent of participants either currently use or plan to implement pre-/post-issue auditing/underwriting in association with their AU workflow. The remaining 9% of companies do not plan to implement pre-/post-issue controls.

Sixty-three percent of companies use random holdouts as a control measure throughout their AU workflow. Other common controls in place include post-issue APS (47%) and post-issue EHR (41%).

#### Use of Pre- and Post-Issue Controls in AU Workflow

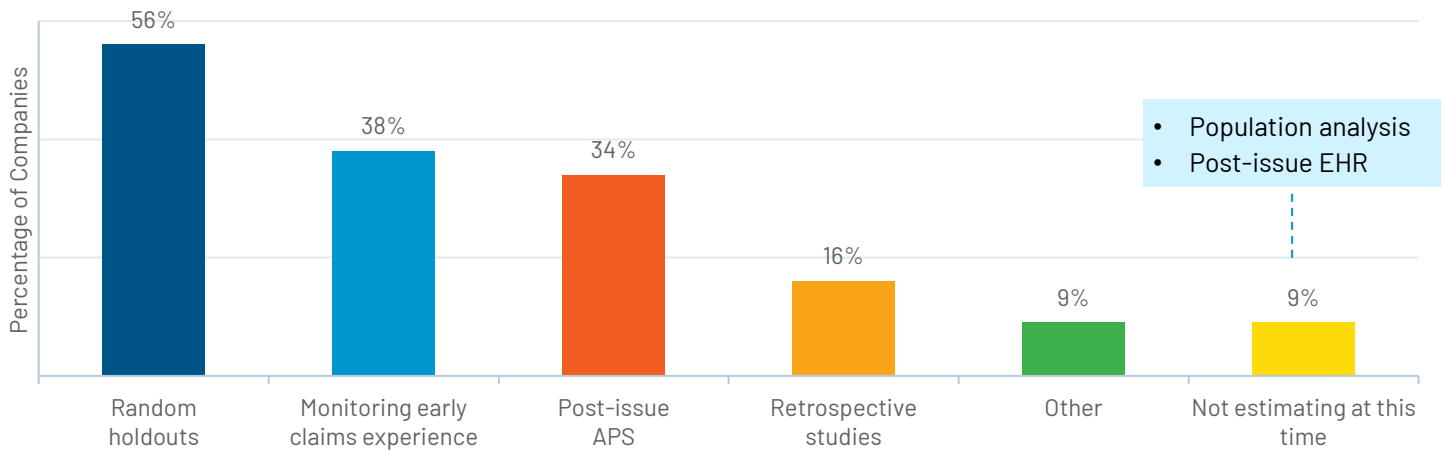


Companies were asked to estimate the percentage of AU applications/issued policies that underwent the above control procedures during 2023. Post-issue agent monitoring was noted as the most frequently used control.

## Mortality Estimation

Over half (56%) of companies estimate mortality slippage associated with their AU program through random holdouts. Thirty-eight percent are monitoring early claims experience, 34% utilize post-issue APS, and 16% utilize retrospective studies. Three companies reported they are not estimating mortality at this time.

## Methods of Estimating Mortality Slippage



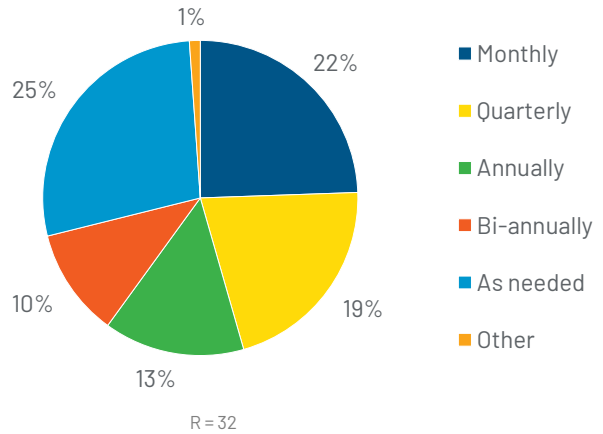
R = 32

Modification of Rules

Most companies continue to review their AU workflow rules for modification on an as needed (25%) or monthly basis (22%).

The remainder of companies review their rules quarterly (19%), annually (13%), or bi-annually (10%). How often companies review their AU workflow rules for modification remains consistent from year to year.

Frequency When Companies Review AU Workflow Rules for Modification

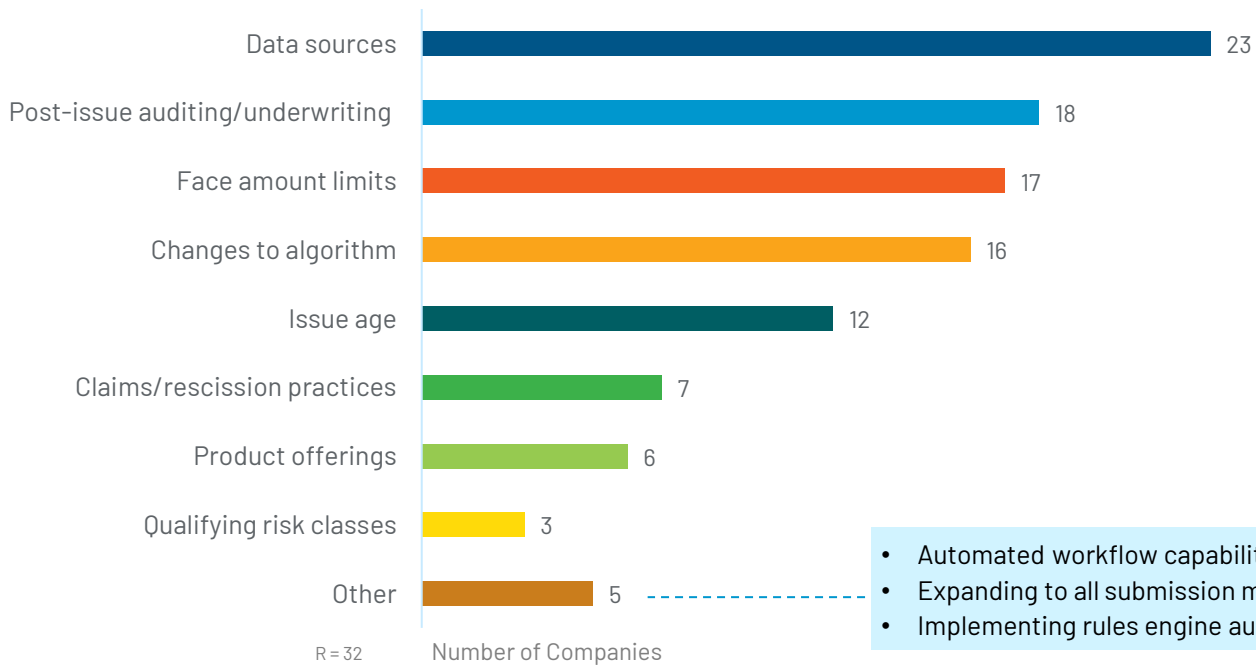


Changes to Workflow

Approximately one-third (34%) of participating companies have made material changes to their AU workflow over the past 12 months. The most prevalent changes included the addition of new data sources, simplified applications, the introduction of model-based automated decisioning, and expanded eligibility qualifications (e.g., increased face amounts, updated risk criteria).

Eighty-one percent of participating companies handle AU workflow changes internally. Thirty-five percent handled changes in partnership with a reinsurer and 16% handled changes in partnership with a vendor or consultant.

Planned Changes to AU Workflow in Next Two Years



- Automated workflow capabilities
- Expanding to all submission methods
- Implementing rules engine automation

# About Gen Re

Gen Re, a Berkshire Hathaway Company, is one of the leading Life/Health and Property/Casualty reinsurers in the world. Our North American Life and Health reinsurance company, General Re Life Corporation, has superior financial strength ratings among Life and Health reinsurers.

A.M. Best

**A++**  
(Superior)

Standard & Poor's

**AA+**

Moody's

**Aa1**

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Individual Life



Medicare Supplement



Group Life and AD&D



Individual Disability



Critical Illness



Accident

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