

The Costs of Underwriting Simplification

John Turner,
Swiss Re



About the speaker



- **John Turner**
- Head of L&H Underwriting EMEA, Swiss Re
- Previously Friends Provident & Allied Dunbar in the UK and Gen Re in Cologne



- **Swiss Re**

Is there a fixed “cost” of simplification?



- Q6b generates loadings on 2% of all cases with an average loading 1.5‰
- What is the cost of waiving Q6b?

Why simplify?

- Agent pressure
- Competition
- Customer discontent
- Demographic differences
- New distribution
- Or maybe because much of what we do now adds less value than we think ...

How to simplify

- Changing limits & processes to optimise efficiency

UW
Optimisation

Intelligent
Simplification

- Use common sense and some pre-selection to shorten journey

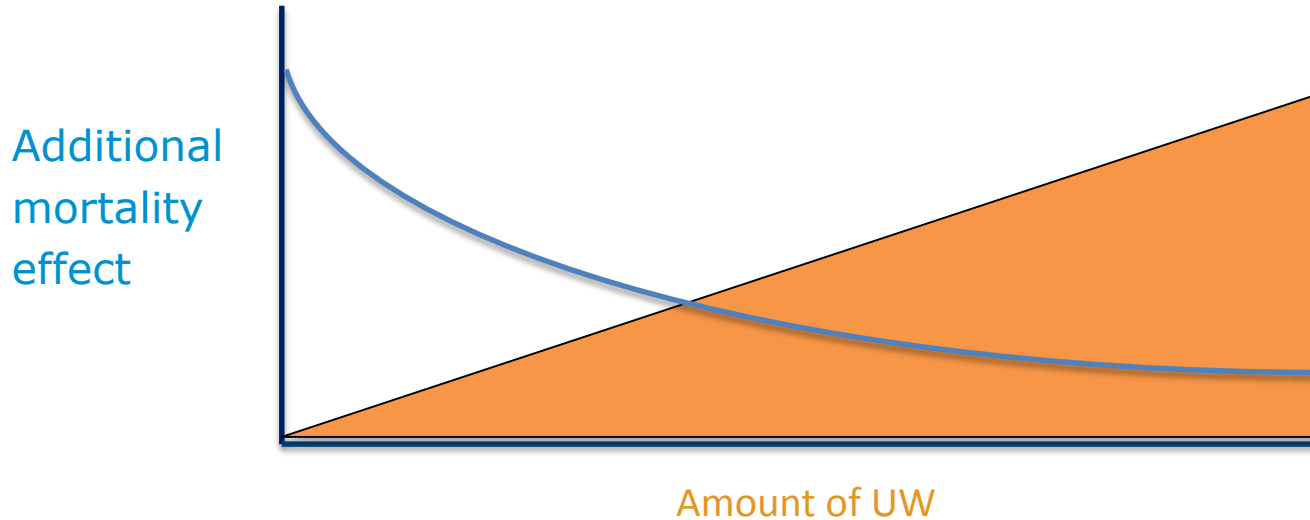
- Adapting product & product conditions to shorten/remove UW

Product
variations

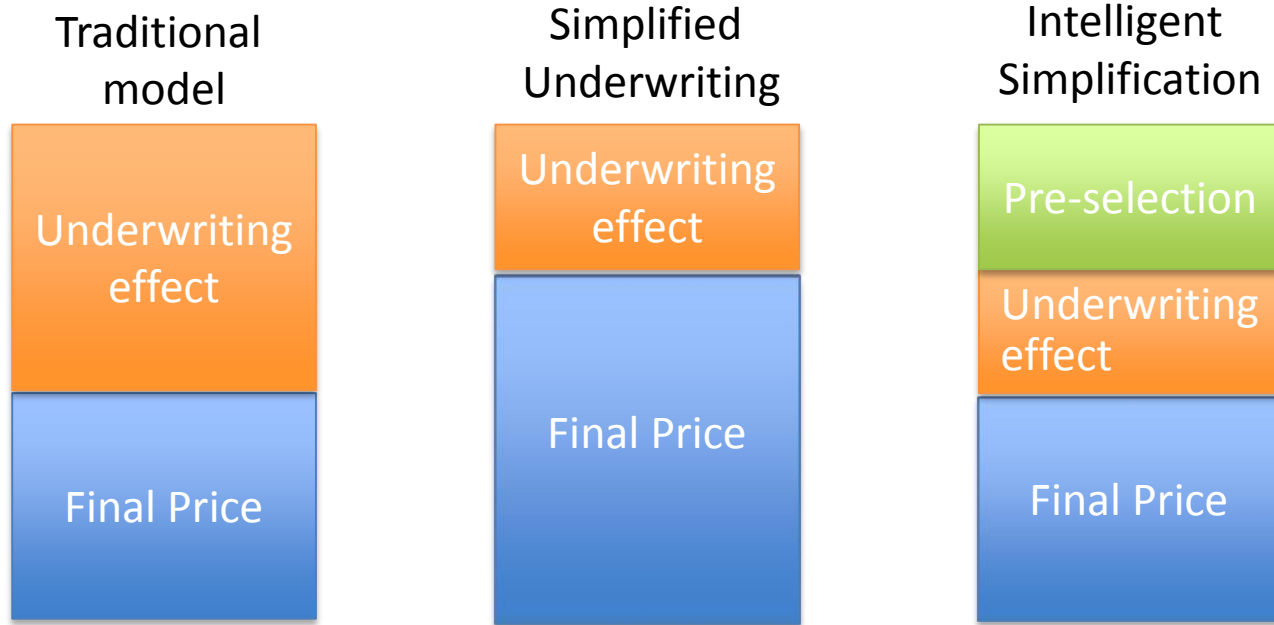
Alternative
UW

- Recognising that who and how you ask influences the effectiveness

Underwriting / Price Trade Off



Traditional versus simplified



Is there a fixed “cost” of simplification?



- Q6b generates loadings on 2% of all cases with an average loading 1.5‰
- What is the cost of waiving Q6b?
- Answer : Nobody knows

Key points

- We need to simplify to remain relevant
- but simplification is not simple.
- The cost of each simplification step varies dependant on many factors
- but you can control at least some of those factors.
- We will make mistakes
- but we still need to try.

Thank you very much for your attention!



Contact details:

John Turner

mail: john_turner@swissre.com

web: www.swissre.com