

## Predictive underwriting

More Metrics modelled data includes mortality, health and disability scores. These are expressed as a percentage of population mortality or propensity scores and differentiated by socio, economic, lifestyle and geographic factors.

The scores are available from both our Geo and Solo Ranges. The Geo scores are tagged by postcode, and can also be differentiated by age bands and occupation. The Solo scores are specific to an individual.

### Incorporating More Metric data into the underwriting suite

Predictive underwriting can be used with business that is actively sought-out by the insurer, rather than provided on a reactive basis to a request by a client or an intermediary. This covers business from mailshots, targeted inserts, social media or emails.

Underwriting such business needs to cover the normal underwriting objectives of:

- Managing anti-selective early claims
- Matching the long-term experience to the pricing assumptions.

### Managing anti-selection

Anti-selection is diluted through making a limited period offer to a large and reasonably homogenous group of pre-selected lives; with the higher the take-up of the offer the greater its dilution effect. If take-up is very high and targeted lives restricted to certain ages and cover amounts then this may be sufficient. However in most non-group offers it is necessary to add specific anti-selective protection. This could be of the form of “knock-out questions” such as “have you ever suffered from cancer, stroke or heart disease?” the use of limited cover/ moratorium periods such as 2 years ADB only cover on over 50’s plans or more robust short term underwriting measures.

The health and disability propensity scores from More Metrics can be used to identify clients that are less likely to pass such tests and so reduce take-up rates. It may be decided not to market to such clients, or make them alternative offers.

### Long-term risk selection

More Metric’s mortality score provides a direct measure of long-term mortality risk and so can be used to make the insurance offer to specific categories of lives with appropriate long-term mortality assumptions.

This ability can be used to meet a number of objectives, including to:

- select low mortality individuals and offer a very competitive premium
- reduce the long-term risk experience of current offers by selecting out the worse individuals and so improve profitability
- select poorer mortality individuals who are previously excluded from offers, by being able to offer them an appropriate price for their risk
- integrate mortality risk with purchase propensity and other factors to maximise profitability

### Implementation

Bulk data can be transferred using a FTP site, whilst real-time individual calls can be made via an API link.

### moremetrics

More Metrics provides UK demographic and lifestyle data. Our geo-sourced data is GDPR-compliant and available through our Geo Range tagged by postcode, or our Solo Range tagged by individual. Bespoke data development is also available.

### REaD Group

More Metric’s data is available from the REaD Group. REaD Group is the UK’s leading independent data communications agency.

Contact Nigel.Bradshaw@MoreMetrics.co.uk for further details.