

Your underwriting NewsLetter



By Underwriting
United States

December 2018



Hello friends,

At the start of 2018, SCOR Underwriting set numerous improvement goals for ourselves including extending better Fac offers, limiting requests for more requirements and offering educational opportunities for underwriters. Also, this newsletter was created in direct response to your desire for more proactive communications from us.

I'm immensely proud of all we've accomplished in 2018, however our journey has no finish line. We are moving forward with a mindset of continual evolution. We aspire to develop new, creative services for our valued clients while further refining existing ones. As an example, our [FAST program](#) can help you achieve better underwriting decisions and ultimately place more business.

Once again, this edition of the SCOR's U.S. Underwriting Newsletter covers a variety of hot topics including CBD oil, an update from our R&D department and more.

In 2019, look for SCOR to continue to make highly competitive Fac offers, offer further educational opportunities to our clients and remain highly visible in the industry. We continue to encourage your feedback and welcome your ideas. I look forward to seeing you in your office or at an industry conference in the near future.

Happy holidays!

Kristin Ringland

VP, Chief Underwriting Officer - US

Research and Development

Milliman Medical Data

By Cindy Mitchell
VP, Underwriting Research - R&D

Milliman Medical Data is a proprietary algorithm that aggregates adjudicated billing claims and interprets the raw data by medical condition, severity and timing into a risk adjusted outcome. The contributors of the data can be providers, aggregators or insurance companies and the historical data typically goes back about four years.

Medical billing data has the potential to reveal information that was not disclosed on the application or through other data sources. The objective of our study was to explore this potential value and its implication for underwriting. Our analysis was completed on a large dataset of applications from years 2016 and 2017 for both simplified issue and fully underwritten business.

To understand the availability and penetration of medical billing data, we examined the hit rate¹ Overall, it was approximately 11% for both simplified

issue and fully underwritten business. Despite the low hit rate, significant value was revealed. Medical billing data identified new undisclosed medical conditions on applications which should have been declined resulting in an estimated 3% mortality savings on the simplified issue product. For the fully underwritten products the mortality savings was muted due to a relatively high degree of disclosure.

Based on our analysis, Milliman Medical Data is not reliable enough yet to identify impairments without the aid of other tools and underwriting requirements. However, it provides additional protection particularly for simplified issue business and can serve as another veracity check, which would be beneficial on cases involving non-disclosure. As Milliman secures additional contracts with billing claims aggregators, its value should continue to increase.

¹ A hit is defined as having data from at least one of the sources providing billing claims. Hits that were administrative in nature, such as face amount or application date, were excluded from the hit rate calculation.

Webinar

Alcohol Use Disorder



Last month our Chief Medical Officer, Richard Braun, MD, delivered a SCORcast on Alcohol Use Disorder (and alcohol dependence masquerading as other conditions). We had a very high turnout for his excellent presentation.

If you were not able to join the webinar, you can view it by going to our website, www.scorgloballifeamericas.com. The link to the SCORcast is featured on our home page.

Seminar

The CBD Oil Rush!



By Al Autry
Senior Underwriting Consultant

Cannabidiol or CBD oil is typically extracted from the buds or the flowers of the hemp plant and should only contain trace amounts of THC (tetrahydrocannabinol, the chemical compound that gets you high). States with legal medical and/or recreational shops may also sell oil products derived from the marijuana plant with higher concentrations of THC including hash oil which can be a very potent source of THC.

CBD oil is legal in all 50 states with varying restrictions. Congress is currently moving to legalize all hemp products.

Sources

1. Skerritt, J and Giammona, C, (9/17/2018) Coca Cola Is Eyeing the Cannabis Market, (Blog Post), retrieved 11/14/2018 from <https://www.bloomberg.com/news/articles/2018-09-17/coca-cola-eyes-cannabis-market-in-push-beyond-sluggish-sodas>
2. Johnson, J., (July 27, 2018) Everything you need to know about CBD Oil, retrieved 11/14/2018, <https://www.medicalnewstoday.com/articles/317221.php>
3. <http://www.who.int/medicines/access/controlled-substances/WHOCBDReportMay2018-2.pdf?ua=1>
4. http://www.who.int/medicines/news/2018/news_briefing_ecdd/en/
5. <https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm611046.htm>

A recent Bloomberg article claims that Coca Cola is researching the development of beverages infused with CBD. In some states CBD oil is available anywhere from alternative medicine shops to gourmet grocery stores touting a plethora of benefits. It is commonly marketed to treat insomnia, chronic pain, anxiety, and even for help with smoking cessation. Relatively few clinical studies have been completed on CBD. However, the FDA approved Epidiolex (Cannabidiol) in June 2018 for treatment of two rare and severe forms of epilepsy, Lennox-Gastaut syndrome and Dravet syndrome based upon 3 clinical trials involving 516 patients.

WHO reported that its Expert Committee on Drug Dependence recently recommended that in regard to pure cannabidiol (CBD) the substance "was not found to have psychoactive properties, and presents no potential for abuse or dependence". However, CBD oil that is being produced as a supplement is unregulated by the FDA with regards to its health claims. As with any health supplement it may be best to consult with your physician before using CBD products.

FDA News

Cancer Drug Approval

"The U.S. Food and Drug Administration today granted accelerated approval to Vitakvi (larotrectinib), a treatment for adult and pediatric patients whose cancers have a specific genetic feature (biomarker).

This is the second time the agency has approved a cancer treatment based on a common biomarker across different types of tumors rather than the location in the body where the tumor originated. The approval marks a new paradigm in the development of cancer drugs that are "tissue agnostic." It follows the policies that the FDA developed in a guidance document released earlier this year."

www.fda.gov

Essay Contest

2018 Rick Weaver Contest winner

Congratulations to SCOR's Laurie Kaiser, Senior Underwriting Consultant, for her winning entry in the Rick Weaver Award essay contest for her article on PANDAS (Pediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections). The Rick Weaver Award is sponsored by Lincoln National Life Insurance Company, through the Northeastern Home Office Life Underwriters' Association.

To view Laurie's full essay please click [here](#).

Underwriter Spotlight



Suzanne Labella,
FALU, FLMI, ACS,
AIAA

Senior Underwriting
Consultant-Large
Case UW since

December 2009. Suzanne provides facultative risk assessment and has more than 25 years of reinsurance experience.

She is a past officer and member of the Hartford Springfield Underwriting Association.

Suzanne works remotely reporting out of the Charlotte, NC office. She enjoys numerous activities including reading, movies, music and traveling to warm, sunny locations. She is a big baseball fan, cheering for the New York Yankees and attends games whenever possible.