Your underwriting
Newsletter
By Underwriting
United States
June 2020

Hello friends,

COVID-19 has forcefully pushed the life insurance industry to something it has been historically incapable and, frankly, unwilling to do – change quickly. In our current environment, exams and fluids are increasingly becoming incompatible with the ability to generate new business. We see an unprecedented increased pace of adopting digital data for life insurance underwriting.

Insurers that were well positioned before the pandemic have been able to readily adapt, and many are experiencing an uptick in consumer demand. MIB recently reported that after down months in March and April, life insurance application activity rose 5.2% year-over-year in May. LIMRA's first quarter report on individual life insurance sales in the U.S revealed a 8% increase in average face amount as compared to Q1 2019.

With media discussions regarding human mortality everywhere you turn, consumers are awakening to the undeniable benefits of life insurance. Consumers hopefully will realize the tremendous opportunity to secure the coverage they need while experiencing one of the most streamlined and non-invasive processes for purchasing that has ever existed.

If your company has successfully embraced accelerated underwriting and integrated new data sources into the process, congratulations! If your company is struggling to adapt and adopt or wants to further build upon your existing accelerated model, please contact SCOR for advice and solutions. We are ready to share our knowledge.

Ed Sheehan
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The Art & Science of Risk

Health & Wellness

COVID-19 Immunity

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Despite COVID-19 being a new disease there are several emerging facts that are already known.

- Those that recover from COVID-19 have been found to have antibodies in their blood which are directed at the causative viral organism, SARS -CoV-2 and imply an immune response to the virus.
- There are now multiple serological tests available for detecting these antibodies.[1] The FDA has developed a test and has issued emergency use authorization (EUA) to several other manufacturers.
- Convalescent plasma is being manufactured which contains antibodies from those who have recovered from a COVID-19 infection. Clinical trials are ongoing as they try to answer the question of whether this treatment is effective when given to seriously ill patients.

COVID-19 is not the only coronavirus which infects humans. There are two other coronavirus organisms (i.e. Severe acute respiratory coronavirus-SARS and Middle East respiratory syndrome-MERS) that cause severe atypical pneumonia which are associated with extremely high morbidity and mortality. There are several other human coronaviruses (e.g. HCoV-229E, HCoV-OC43, HCoV-NL63, and HCoV-HKU)[2] associated with milder respiratory infections which are described as etiological agents for the "common cold" and croup.

There have been several small studies published which analyzed antibody formation from other coronavirus infections. Unfortunately, the results vary significantly depending on the coronavirus involved. The milder infection-causing coronavirus provide immunity or partial immunity measured in months to a few years. Reinfection of these milder infections can occasionally occur despite measurable levels of antibodies being present[3]. There is limited information regarding the immune response from the coronavirus types that cause more severe disease. One interesting study[4] of 176 patient who had recovered from SARS published in 2007 concluded that SARS patients might be susceptible to reinfection three years after initial

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Health & Wellness

COVID-19 Immunity (cont')

exposure based upon antibody presence in the blood.

The immune system's response to infection is complex and includes the development of antibodies but also involves macrophages, CD4 cells, CD8 killer T cells as well as memory cells that recognize future infections and gear up the immune system. Measuring the presence of antibodies does not necessarily measure the qualitative immune response possible.

We suspect that not all people will develop the same immunity even if effective immunity is possible. For example, those with immunodeficiencies don't always respond as favourably to infections as healthy individuals. They have difficulty fighting off the acute infection, and their immune response to prevent reinfection is sometimes compromised as well. Those with milder infections or who remain asymptomatic might possibly mount a lesser response than those more severely infected.

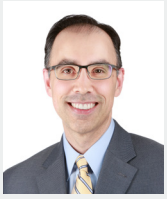
There are plenty of unanswered questions regarding immunity to COVID-19. One of the things we don't currently know is whether those who have developed antibodies are completely protected from reinfection. We also don't know how long the antibodies will persist in the blood. We don't know if low levels of antibodies are as protective as greater amounts.

It is encouraging however that antibody formation does occur in most individuals who have experienced COVID-19. Some degree of immunity is suspected. Further studies and more time are needed before we will have the answers to the unanswered questions.

References:

1. *1FDA: Serology Testing for COVID-19 Accessed 5/5/2020 https://www.fda.gov/medical-devices/emergency-situations-medical-devices/emergency-use-authorizations#covid19ivd*
2. *Channappanavar, R et al. T cell-mediated immune response to respiratory coronaviruses. Immunol Res. 2014; 59(1): 118-128.*
3. *Callow, K. et al. The time course of the immune response to experimental coronavirus infection of man. Epidemiology & Infection. Volume 105, Issue 2. pp 435-446.*
4. *Wu, L et al. Duration of Antibody Responses after Severe Acute Respiratory Syndrome. Emerg Infect Dis. 2007, Oct; 13(10): 1562-1564*

Underwriter Spotlight



Thomas Ballweg, FALU, FLMI

Senior Underwriting Technical Consultant

Tom analyzes clients' accelerated underwriting (AUW) program results, reviews underwriting change requests submitted by our clients and works on various other special department projects. He has more than 24 years of experience and has been with SCOR since 2014. He currently reports out of the Leawood, Kansas office.

Tom has co-authored two articles for SCOR:

- Monitoring the Performance of Accelerated Underwriting – January 2020
- Envisioning the Future of Underwriting – April 2020

In Tom's free time he enjoys biking, reading and gaming.

Underwriting Update

Velogica

We are excited to announced that as of April 17, 2020, Velogica is live in production with TransUnion's DriverRisk product as a new data source.

The DriverRisk product offers an alternative to ordering MVRs based on typical age and amount guidelines but rather ordering MVRs based on court-based driver violations which show both active and pending violations. Based on TransUnion's historical analysis, 80% of MVRs are clean. A clean MVR costs the same as an MVR with violations, but you will not know if the MVR is clean until it has been ordered.

DriverRisk is available in 33 states. For those states where the product is available, the Velogica system will order DriverRisk prior to ordering an MVR and dynamically order an MVR based on the result of the DriverRisk search/alert. The severity of the alert can be customized by each client within the product. For example, a client may configure the product not to alert for an MVR order if there is a speeding ticket or tickets found; however, if a DUI is found then the alert value would be to order an MVR. The cost to order DriverRisk is approximately 30% of the cost of ordering an MVR directly from the state.

Although DriverRisk is only available in 33 states, the search expands across borders of the 33 states which pick up approximately 10-14 more states with coverage. For states not covered, Velogica defaults to the client's established MVR ordering rules.

Implementing DriverRisk reduces data costs to clients and specifically targets MVR data ordering based on the applicants driving history versus their age and face amount of coverage that they are requesting.

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FOR FURTHER INFORMATION PLEASE CONTACT:
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