



*Dear friends,*

Encore, encore! Following rave reviews regarding the premiere edition of the SCOR Underwriting Newsletter, we are back. In this edition, we present a variety of topics including how the recent Federal tax laws changes may impact life insurance sales and stats on how quickly our Velogica solution renders an underwriting decision. We've also included some statistics showcasing the top impairments where our FAST program (see our first edition for more program details) can improve offers for your clients.

Our profound gratitude to everyone who provided us with feedback on our last newsletter and we encourage more. The purpose of this newsletter is to share insightful content with our valued clients. Please feel free to submit topics you'd like us to consider addressing in future editions. As an added incentive, if we select a topic you have suggested, we will send you a small gift as a token of our appreciation.

I look forward to seeing many of you at AHOU. Please stop by our booth, say hello to our team and let us know how we can better meet your needs and further strengthen our partnership.

**Ed Sheehan**  
Director, Underwriting



**Spotlight**

# Will tax changes impact life insurance sales?

Recent Federal tax law significantly increases exemption amounts allowed when calculating estate taxes. Effective 1/1/2018, the new exemption amount is approximately \$11.2M per individual. Using the correct planning techniques, this could allow married couples to transfer approximately \$22.4M of wealth free from federal estate taxes. These exemption limits are nearly doubled from 2017. The new tax law also increases the gift and generation skipping transfer (GST) tax exemptions, so the affluent can begin moving more of their wealth out of their taxable estates prior to death.

Will this have an adverse impact on the life insurance industry? Will high net worth individuals and couples shy away from buying life insurance as a method of estate preservation? Will existing policies be terminated, or worse, be sold in the secondary market? The short answer to these questions is "hopefully not", and here is why:

- The increased exemption limits will expire at the end of 2025.

- The higher exemption limits can thus be viewed as a temporary situation with an uncertain future.
- As most individuals and couples seeking life insurance are reasonably expecting to outlive these changes, the motivation to obtain life insurance to protect the value of their estates could remain high.

Even with increased limits, ultra-high net worth individuals will have significant assets exposed to Federal taxes that create a need for life insurance. The gifting exemption changes could also promote increased use of life insurance with techniques such as dynasty trusts.

In speaking with some of our client companies that specialize in the large case market, they have decided against changing their estate protection need formulas since the increased exemption limits are temporary. We agree with this approach and will continue to closely monitor the situation. We'd enjoy hearing from you if you have any questions or a different point of view on this topic.

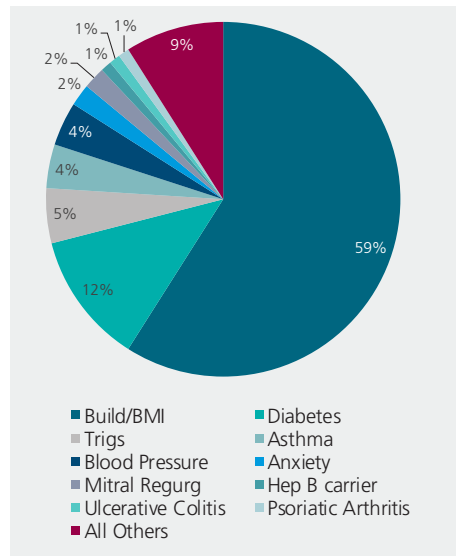
*The foregoing has been prepared for the general information of recipients of the Newsletter. It is not meant to provide legal or tax advice for any taxpayers, who should seek appropriate professional advice for their particular circumstances.*

**Facultative Services**



SCOR created the Facultative Assessment and Selection Tool (FAST) to improve offers for your clients when a specific set of impairments are met.

The pie chart to the right gives a breakdown of impairments that received standard offers using FAST in 2017.



## Velogica Update

# Automated underwriting

- Velogica® automatically underwrites mortality risk using application information and 3<sup>rd</sup> party data sources.
- Cases underwritten by Velogica since inception: approximately 3.7M.
- Velogica obtains underwriting evidence, correlates both disclosed and discovered evidence and renders a decision the majority of the time in less than a minute.
- SCOR is pleased to announce that Velogica now supports automated instant evaluations of clinical lab data.

Overall  
Percentage of Decisions  
within 1 minute



Last 12 months  
Average Decisions  
in seconds (<=1 min)



Last 12 months  
Average Decisions  
within 1 minute



Last 12 months  
Average Decisions  
within 30 seconds



## Facultative services

### Reconsideration of rated or declined offers



At SCOR we genuinely value our relationship with clients, and we're constantly looking for ways to enhance our value to you. One way is by encouraging

our underwriters to provide a possible reconsideration date on every rated or declined offer we make.

We understand this information is important to you and your producers as you attempt to place rated cases. Common sense dictates that an applicant is more likely to accept a rating if they have reason to believe the extra charges may not be permanent.

Of course, there will be situations where reconsideration is not possible, or is unrealistic, and we strive to alert you when that's the case.

## FDA News

### Cancer & concussion treatments

In February, the FDA approved Erleada for a certain type of prostate cancer using novel clinical trial endpoint.

"Erleada works by blocking the effect of androgens, a type of hormone, on the tumor. These androgens, such as testosterone, can promote tumor growth."

The FDA also authorized marketing of the first blood test to aid in the evaluation of concussion in adults.

"The Brain Trauma Indicator works by measuring levels of proteins, known as UCH-L1 and GFAP, that are released from the brain into blood and measured within 12 hours of head injury. Levels of these blood proteins after TBI/concussion can help predict which patients may have intracranial lesions visible by CT scan and which won't."

Source: [www.fda.gov](http://www.fda.gov)

## Agenda



# 4/8

## ACLI - WASHINGTON DC

**SCOR Guest Speaker**

Bill Rooney, Medical Director  
Genetics 101

# 4/9

## LIC - CHICAGO

**SCOR Guest Speaker**

Rick Pretty, SVP, Life R&D  
Accelerated Underwriting

# 4/29-5/2

## AHOU - CHICAGO

**SCOR Guest Speakers**

Terry Feeney, Director, Underwriting  
Cindy Mitchell, VP, Underwriting R&D  
James Kadouch, Medical Director  
Philippe Aussel, Director, Underwriting

## Underwriter Spotlight



**Peggy Allen** FALU,  
FLMI, AIRC, AIAA,  
ACS  
Senior Underwriting  
Consultant with  
SCOR since May  
2005.

Peggy is responsible for facultative risk assessment to clients and has more than 30+ years of experience. She is currently a member of the Carolina Underwriting Forum. Peggy has a passion for animals and has rescued more than a few. Her favorite pastime is spending time on the beach in North Myrtle, and she also enjoys hiking, vegetarian cooking and watercolor painting. Peggy currently resides in North Carolina and reports out of the Charlotte, NC office.