

Strategic Resources

Transitioning to a Data-driven Underwriting Environment



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The following interview with Dawn Boitnott, VP, Underwriting—Velogica, is excerpted from an issue of SCORviews featuring a Q&A with three SCOR underwriters who transitioned from a traditional production environment to data driven underwriting environment. You can read the interviews at <https://bit.ly/2HoRl8d>

You spent most of your career in traditional underwriting roles. How does that experience help in your role on the Velogica team?

I couldn't do what I do without it. I've moved from a traditional production to a technology-driven environment, and we use different tools to underwrite, but the goal is the same: evaluate individual mortality risk and protect the insurer from taking on too great a risk.

We have professionals on the Velogica team that come from various disciplines. They bring skills that are fundamental to building and maintaining an algorithm—in actuarial, data science, behavioral sciences, artificial intelligence and machine learning. But everyone on the team needs to learn underwriting concepts—and they do—just in a different way than I did.

What data sources does the Velogica engine use today?

Velogica uses information in the application, prescription data, MVR, MIB, criminal history, clinical lab data, and we are in process of implementing credit-based mortality scores.

How do the newer and emerging data sources compare to the more tried and tested e-data sources?

Rx was a big leap forward because it brought medical information into the automated process. The newer data we are integrating into Velogica—like clinical lab data (CLD)—has enormous potential. CLD can be a highly effective alternative for fluids from both a risk and cost perspective, giving the underwriter the ability to stratify otherwise declinable cases on a simple product.

CLD is just the most recent example of how SCOR keeps the flexibility and power of Velogica up to date and with the latest data available to underwriting automation.



What products can be underwritten using Velogica?

Velogica is being used across the product spectrum from final expense and simple to fully underwritten. It also has the potential to underwrite group, disability, long term care, and critical illness. The algorithm obtains evidence, correlates both disclosed and discovered evidence and renders an evaluation most of the time in less than a minute.

It can be used many ways including straight through decisioning, triage, and input to a carrier's workflow either to take a case down a certain underwriting path or as input to a predictive model. A carrier can have a multi-line distribution and/or traditional life-focused agent driven business with various products and underwriting rules represented in Velogica.

How many applications have been underwritten by Velogica?

Since inception, about 3.8 million

How can automated underwriting be expanded to higher face amounts with rates closer to fully underwritten?

SCOR focuses on two approaches. One is to add new data sources that can provide protective values with no degradation in the speed of the decision. The other is to get smarter about when "slow evidence" is really required. We need to identify where time and money are spent on traditional evidence that adds no—or minimal—protective value when compared to instant data.

