

POLICYHOLDER BEHAVIOR

during the Pandemic

SCOR is conducting this survey to gather information on lapse experience in 2020 and 2021 to assess the impact of the COVID-19 pandemic on life insurance policyholder behavior.

The survey starts with four questions on business characteristics. The main section on policyholder behavior has 10 core questions, with five additional questions that allow you to provide more details for relevant topics.

The survey will take only five to 10 minutes to complete once you have all the relevant information available. We appreciate that you may need to gather this information from multiple sources so we have also provided a PDF with the complete list of questions to facilitate your information

Business Characteristics

If you have portfolios with different business characteristics where you have observed

different policyholder behavior during the pandemic, please fill out the survey for each type of business. See Instructions document in the e-mail for more details. Otherwise, please indicate the business characteristics that represent your portfolio.

1. Company Name

Please provide the name of the company you are answering for. This information will be used to aggregate results appropriately, by identifying when multiple responses are from the same company and to allow grouping of results for companies with similar target markets. The output of this survey will include only aggregated results with company names anonymized.

2. Distribution channel

Please provide the main distribution channel for the business on which your answers are based. If you have multiple distribution channels, please use the Other box to describe your business mix.

- Agent-sold
- Online by consumer
- Other _____

3. Product Type

Please provide the main product type for the business on which your answers are based. If you have multiple product types, please use the Other box to describe your business mix.

- Permanent
- Term
- Other _____

4. Underwriting Type

Please provide the main underwriting type for the business on which your answers are based. If you have multiple underwriting types, please use the Other box to describe your business mix.

- Fully Underwritten/Accelerated Underwriting
- Simplified Issue or Final Expense Underwriting
- Other _____

Policyholder Behavior Questions

This section has 10 core questions, with five additional questions that allow you to provide more details for relevant topics including any variations by specific business characteristics.

1. How did lapse experience in 2020 compare to prior years?

- Higher Lapses Overall
- Lower Lapses Overall

- Changes for Specific Segments Only
- No Significant Change
- Don't Know
- Other _____
2. Please share details on the specific differences in lapse experience observed for 2020. Describe any changes observed in 2020 in comparison to prior years. Describe how the changes in lapse experience observed vary by product, by policy duration, by age group, by face amount group and any other variable of interest.
3. How did lapse experience in 2021 compare to prior years?
- Similar to 2020 (in line with my response to the previous question)
- Similar to Years Prior to 2020
- Higher Lapses Overall Compared to 2020
- Lower Lapses Overall Compared to 2020
- Changes for Specific Segments Only
- Don't Know
- Other _____
4. Please share details on the specific differences in lapse experience observed for 2021. Describe any changes observed in 2021 in comparison to 2020 and in comparison to prior years. Describe how the changes in lapse experience observed vary by product, by policy duration, by age group, by face amount group and any other variable of interest.
5. What is the main reference point for your observations of lapse experience during the pandemic period? Please select the main source used to answer the prior questions. Use the Other box to describe details if you have used other methods to monitor changes in lapse experience.
- Lapse Experience Study
- Termination Report
- Monitoring Customer Calls
- Qualitative/Anecdotal Feedback from the Field
- Other _____
6. What is the end date of the period covered in your most recent lapse experience study?
- June 30, 2020
- December 31, 2020
- June 30, 2021
- December 31, 2021
- Other _____
7. How was conversion behavior impacted during the pandemic period?
- Increase in Exercising of Conversion Options
- Decrease in Exercising of Conversion Options
- Changes for Specific Segments Only
- No Significant Change
- Don't Know
8. Please share details of changes in conversion option exercising behavior. Describe any changes observed in 2020 and 2021. Provide details by type of conversion including the product type before and after conversion. Describe any differences by age group, by face amount group and any other variable of interest.
9. Term plans only: How was policyholder behavior in post-level term impacted during the pandemic period?
- Higher Lapses Overall
- Lower Lapses Overall
- More Active Searching for Alternative Products at End of Level Premium Period
- Changes for Specific Segments Only
- No Significant Change
- Don't Know
- Not Applicable

10. Please share details of changes in policyholder behavior in post-level term. Describe the lapse experience at the end of level premium period (shock lapse) for policies reaching the end of term during 2020 and 2021, and lapses by policy duration for policies already in post-level term. Describe any differences by age group, by face amount group and any other variable of interest.
11. Did you monitor the take-up of grace period extensions introduced by regulators during 2020? Define the take-up as the number of policyholders delaying premiums compared to number of policyholders eligible for grace period extensions. Please indicate using the Other box if a different definition or calculation has been used in your take-up rate monitoring.
- Yes
- No
- Other _____
12. Please share details on monitoring of grace period extension take-up. Define the take-up as the number of policyholders delaying premiums compared to number of policyholders eligible for grace period extensions. Please indicate if a different definition or calculation has been used in your take-up rate monitoring. Describe the take-up by product, by policy duration, by age group, by face amount group and any other variable of interest.
13. What was the impact of grace period extensions on your business? Select all that apply and use the Other box to share additional insights.
- Lower Lapses Overall
- Higher Lapses Overall
- Timing Difference Only - Lower Lapses Initially but Higher Lapses Later
- Created Administrative Complexity
- Retained Customers that Would Have Lapsed Due to Affordability,
- Very Little Impact/Used by Few Customers
- Don't Know
- Other _____
14. What were the most common reasons for lapse during 2020 and 2021? Select the most common reason. You may select more than one if applicable. Use the Other box to specify reasons for lapse not listed.
- Affordability - could not pay premiums
- Change policy to get a different product
- Change policy to get an increased face amount
- No longer needed coverage
- Replaced by a policy purchased online,
- Issues with change in payment type such as credit card expiry
- Other _____
15. There has been an increase in life insurance sales since the beginning of the pandemic. What are the drivers of this increase for your business? Select all that apply and use the Other box to share additional insights.
- New customers who previously did not buy life insurance
- Existing customers taking out additional coverage
- Replacement coverage for policies that were lapsed due to affordability
- Availability of a faster application process
- Heightened awareness of mortality risk due to pandemic
- Other _____