On August 9, 2011, SCOR SE, a global reinsurer with offices in more than 31 countries, acquired substantially all of the life reinsurance business, operations and staff of Transamerica Reinsurance, the life reinsurance division of the AEGON companies. The business of Transamerica Reinsurance will now be conducted through the SCOR Global Life companies, and Transamerica Reinsurance is no longer affiliated with the AEGON companies.

While articles, treaties and some historic materials may continue to bear the name Transamerica, AEGON is no longer producing new reinsurance business.

**Archive Materials**

**The Emerging Value of Rx Databases**

*Reprinted from the December 2010 Messenger newsletter*

by Andrea Moody, Manager, Underwriting Standards

No recent underwriting initiative has piqued the interest of life insurers quite like prescription databases. For a per-case fee a company can run a quick search that provides the names of medications taken, when and how often they were filled and the prescribing doctor. Even better, there’s no additional client contact required – it’s quick and invisible.

With a knowledge of medications (or access to textbooks and websites), the information in a prescription report can do everything from verifying medication compliance to rooting out misrepresentation. Now that these databases have been in use for a while, it’s time to reflect.

**Production Time:** Many Rx reports are short but some can be downright unwieldy. Has this impacted your per-case cycle time? Would some type of automated “first-review” technology help keep your underwriters from getting bogged down in pages of detail and drive some efficiency to the process?

**Staff Knowledge of Medications:** Medical records/APS typically reveal medications in context along with the diagnosis, usually as part of the treatment plan. The Rx report has the brand and generic names but not the reason the drugs are being used. There are tools available to help sort through the noise, but get ready to work a search engine to develop more details if you don’t want to inundate your medical staff with every new cold sore medication.

Staff members who aren’t comfortable with technology should be reminded that their 2007 Physicians’ Desk Reference (PDR) will not cut it – modern pharmacology moves much too fast. Even if a medication is in the PDR, there may now be new indications for use, contraindications, side effects and even off-label uses.

**Using the Information:** Consistency is key. Just telling staff that you’re now getting these Rx reports and to basically “have at it” will lead to inconsistency. You’ll need to develop written procedures if you haven’t already done so.
Figure 1: Sample Rx Reports
Rx Data is useful but underwriters can get bogged down in pages of detail.

Training for all staff members is also essential to ensure that everyone is on the same page. Training and support documentation should include:

- Guidelines on when to obtain reports. Do you get them on everyone for screening purposes or only certain ages and/or amounts?
- Details about any filtering systems. Do you want your underwriters to investigate all medications or only those of a certain severity category? Are you missing good risks because a medication is in a bad bucket while there are multiple uses for medications that vary by age, gender and condition?
- Guidance on ordering APSs and, if needed, from which physician.
- Significance of not finding Rx information on an applicant. Being in the system and not having a prescription is different from not being in the system at all. This important nuance should be explained in training materials.
- Research resources. Do you have a list of preferred websites for research? RxList.com (part of the popular WebMd network) and Drugs.com are good resources. Include your medical staff when choosing which research sources to use.

Bang for the Buck?
It is important to study and understand the value of Rx data reports. How are the reports affecting staff production and risk assessment decisions? It is critical to verify that the data is being ordered as expected and that guidelines are being followed. Are quality checks part of your regular internal audits or performed as a separate study?

Tracking value is also paramount. It may take years to see value in the mortality results but you can track other types of performance measures.
- What requirements would have been ordered without the Rx data versus with Rx data? Did the data reveal undisclosed doctors, medications or medical conditions?
- Would the overall underwriting decision have changed if Rx data had not been available?
- Do you see nondisclosure patterns? By plan, face amount, or age band? By agent or brokerage office or any other marketing parameter? By medication or categories of medication?
Reinsurance Involvement
It is important to involve your reinsurance pool members in the process, particularly if you will be using Rx data in place of something else. In addition, reinsurers may have a different perspective on the data and how it’s being used in the market.

If you are implementing prescription database reports for risk assessment, make sure you have a clear vision of what you want to accomplish with the information, understand the impact to production, develop materials and train your staff, monitor and study the information you are receiving, and involve your reinsurers in the process. This approach will ensure that you are maximizing benefits while avoiding the pitfalls of this promising new tool.