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

Winning Customers with Tele-interviewing

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Regular readers of The Messenger have seen articles extolling the virtues of a fully implemented mortality management system. These systems combine a well-designed set of underwriting criteria, a third party tele-interview for the electronic collection of all medical information and a rules-based underwriting engine for assistance with and analysis of all decisions made. This article focuses on the benefits of the tele-interview portion of these systems.

While terminology and definitions may vary (aka, tele-application, tele-underwriting), today’s tele-interviewing process involves a trained interviewer conducting a consistent, detailed interview that, at a minimum, covers Part II medical questions on a policy application. Drill-down questions designed to extract meaningful, detailed responses allow the interviewer to create a robust picture of an applicant’s health history, determine if further data or exams are required and lay the groundwork for risk assessment by a professional underwriter.

We believe – and our experience confirms – that this consistent approach to obtaining medical and financial history, by a party not involved in the sale, leads to better mortality on the underlying product. If better mortality were the only value provided by the tele-interviewing approach it would justify its use in numerous situations. However, users are discovering that there are many other benefits that start generating value right at the beginning of the process – the client acquisition stage.

Favorable Impact on the Sales Process

The first benefit involves relieving sales people of the onerous task of information gathering and allowing them to go out and acquire more customers. Processing benefits include faster cycle times, reduced acquisition costs, improved underwriting quality, increased productivity and lower “not taken” rates due to faster issue and the elimination of incomplete or illegible application responses.

Online databases with prescription drug names and uses and updated listings of all physicians names and addresses can save significant time and frustration in the underwriting process. In addition to the time saved by not chasing down incomplete information, several companies report as much as a 50 percent reduction in APS ordered with the more
complete answers obtained through detailed drill-down questions available with tele-interviewing.

But let’s not underestimate one more benefit: tele-interviewing creates a more desirable experience for the customer and, hence, favorably influences the client acquisition process. It provides a comfortable experience for that most personal and private step in the new business process – gathering medical information.

Producers may be well-suited to discuss an applicant’s financial situation and the impact of his or her death on loved ones, but are they best-suited to conduct an intimate conversation about personal medical history and prescription drug use? Does discomfort, for both the producer and the applicant, interfere with the quality of the information and even closing the sale?

If producers aren’t the best choice to ask for medical data, what are your options? Three options are: use your underwriting resources, establish an in-house call center or outsource this function to a professional call center.

Using underwriters has two primary benefits – they have extensive technical knowledge, and they can potentially ask for all the information that they need in order to make an immediate decision. Downsides to this approach include scheduling difficulties, a significant adjustment necessary to go from underwriting alone to interviewing/selling and the significant amount of time it takes to conduct a complete interview. Some companies may question if this is the best use of their underwriters’ time and skills.

**In-house vs. Third Party Programs**

Companies can invest in creating an in-house program, hiring the staff and equipping them with the tools and technology necessary to provide this function. Primary benefits of this approach are an ability to completely control the process and ensure that your clients are having the type of positive experience that you desire. Challenges include start-up costs, training challenges and staffing concerns, particularly for smaller programs given the extensive hours of coverage typically required to have a successful call center.

Alternatively, there are a number of professional tele-interviewing firms representing both carriers and distribution today. Either way, to be effective, tele-interviewing programs must be treated as a transformation of a business process, not a simple add-on that gets attention briefly and then is forgotten.

Has the industry embraced the providers of these services and the value of the process itself or have we thrown this administrative function over the fence to them? If the latter is true, then the industry is missing out on opportunities to sell additional products and deepen customer relationships. The detailed record and a recording of the interview are now available as an informational tool for building future market opportunities. Are there additional questions you might add to future interviews to gauge consumer opinions on potential new products or services?

In today’s highly competitive market, companies are defining and implementing customer-centric business models that pay close attention to providing a comfortable and informative sales experience. Companies that look beyond the typical approaches to increase sales may well come to view the tele-interview as part of an updated business acquisition strategy.