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# LAUNCHING AN IMPAIRED LIFE PROPOSITION IN 10 WEEKS

JOHN GUNN  
Finance Director  
The Exeter

Presented by webinar: Wednesday 5 June 2019 at 12.00

# THE BEGINNING

- On 7 September 2017, Just Retirement announced they would withdraw from the impaired lives market.

Life insurance Critical illness Employee benefits Income protection Healthcare Regulation Diversity


Individual Protection **Exclusive: Just exits the protection insurance market**

Fiona Murphy  
@cover\_fiona

07 September 2017

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0 Comments



**Just will no longer sell Partnership's protection insurance following last year's merger.**

In terms of pipeline business, COVER has seen correspondence from Just sent to adviser firms confirming that the insurer will stop producing quick quotations/illustrations on 29 September 2017 with its last date for receiving applications on 30 October 2017. Applications that are received by 30 October 2017 will be fully underwritten. Just said it would expect to make final decisions (either offering terms or confirming declinatures) on all pipeline applications by 24 January 2018. Applications...



# INITIAL THOUGHTS



# FIRST STEPS

- Speak to the experts!
- A special thanks to the team at Just who were very open in sharing their business model for impaired lives
- And to two reinsurers who moved quickly to support us.



# GETTING THERE



# NEXT STEPS

What do we need to do?

- Find some experienced life underwriters
- Re-use our existing term assurance product
- Build an all-new customer journey.



# MORE PROGRESS



# THE DECIDING FACTOR

## MUTUALITY IN THE 21<sup>st</sup> CENTURY

- As a 21<sup>st</sup> century mutual, The Exeter is aware of the pressures on the mutuality model
- Our view is that we exist for the benefit of our members and that this includes not just our current membership
- What better way to demonstrate the value of mutuality than by offering cover to lives who have been affected by illness and who would not be able to get any cover elsewhere?





# DAY 26 – COMMITMENT MADE

The working day after Just stopped accepting new quotes, we committed to enter this market

Whole of Life

## The Exeter to enter impaired lives market

Fiona Murphy

[@cover\\_fiona](#)

02 October 2017



0 Comments



**The Exeter has said it plans to enter the impaired lives protection market.**

The protection insurer said that it process of enhancing the cover offered by its Managed Life plan, to include customers with health conditions who would otherwise find it difficult to obtain life insurance. Managed Life was launched earlier this year as a new concept in life cover, aimed primarily at people with type 2 diabetes and a high BMI. The Exeter has promised more details on the development over the coming weeks, with quotes expected to be available from November. The Exeter is...



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# DAY 27 – PANIC!

No way back now...

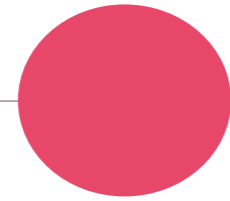
We had committed to launch Impaired Lives but many issues remained:

- No operating model
- Too many reinsurers
- No reinsurance rates
- No underwriting philosophy
- Not enough underwriters
- No quote and apply journey
- No profit testing
- Incompatible product features
- Fledgling distribution relationships



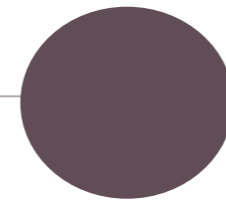
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# DAY 27 – DELEGATION



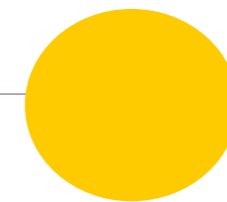
**Operations team**

- Operating model



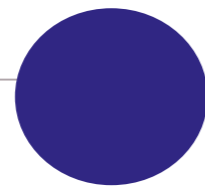
**Risk and Actuarial**

- Choose a reinsurer
- Perform profit testing



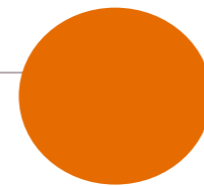
**IT**

- Build quote and apply journey



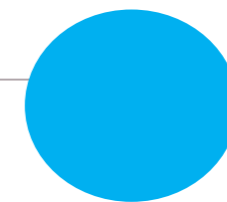
**Sales**

- Build distribution relationships



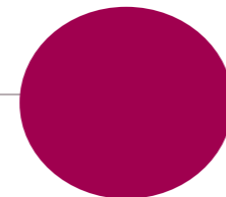
**Propositions**

- Resolve incompatible product features



**HR**

- Recruit more underwriters



**Underwriting**

- Develop underwriting philosophy



# DAY 68 – SOFT LAUNCH

## LAUNCHED WITH 6 KEY PARTNERS

Less than 10 weeks after first considering this proposition, we were live with key distributors:

- First quote
- No MI was available
- Still not enough underwriters
- ‘Scissors and Sellotape’ system would need replacing
- Some very grateful brokers
- Huge amount of distribution interest
- Enormous amount of satisfaction
- We had digitalised the application journey



# POST LIVE LEARNINGS

- We really should have had that MI built earlier!
- Impaired life underwriting is hard!
- As is setting up teams of homeworkers
- Patience is important
- Planning is key, but being able to adapt is even more so
- Can anyone find me an underwriter?
- Robust and scalable IT is much more expensive than throw-away
- We really should have had that MI built earlier! (part 2)



# DAY 452 – HARD LAUNCH

Having launched in 68 days with 6 key partners, we took another 384 days and had received applications from over 200 different brokers by the time that we had our hard launch.

Individual Protection

## The Exeter rolls out 'real life' to full market

'Two thirds of cancer sufferers do not have protection'



Adam Saville

@AdSaville\_COVER

03 December 2018



0 Comments



### Report finds that cancer, type 2 diabetes and heart condition sufferers are hugely underinsured

On the same day that The Exeter has rolled out its 'real life' product to the entire market, a report by the mutual into the scale of underinsurance amongst people with health conditions has found that 65% of cancer sufferers do not have a single protection product in place. The 'An Unhealthy Situation' report, which surveyed 2,000 people across the UK, also found a similar situation for people with type 2 diabetes, those with high BMI and heart conditions. "With an ageing population and the...



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WOULD WE DO IT AGAIN??



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