

## Underwriting in your Underpants *Life Outside the Home Office*

Parameds.com (PDC) Remote Underwriting Survey 2006-2007

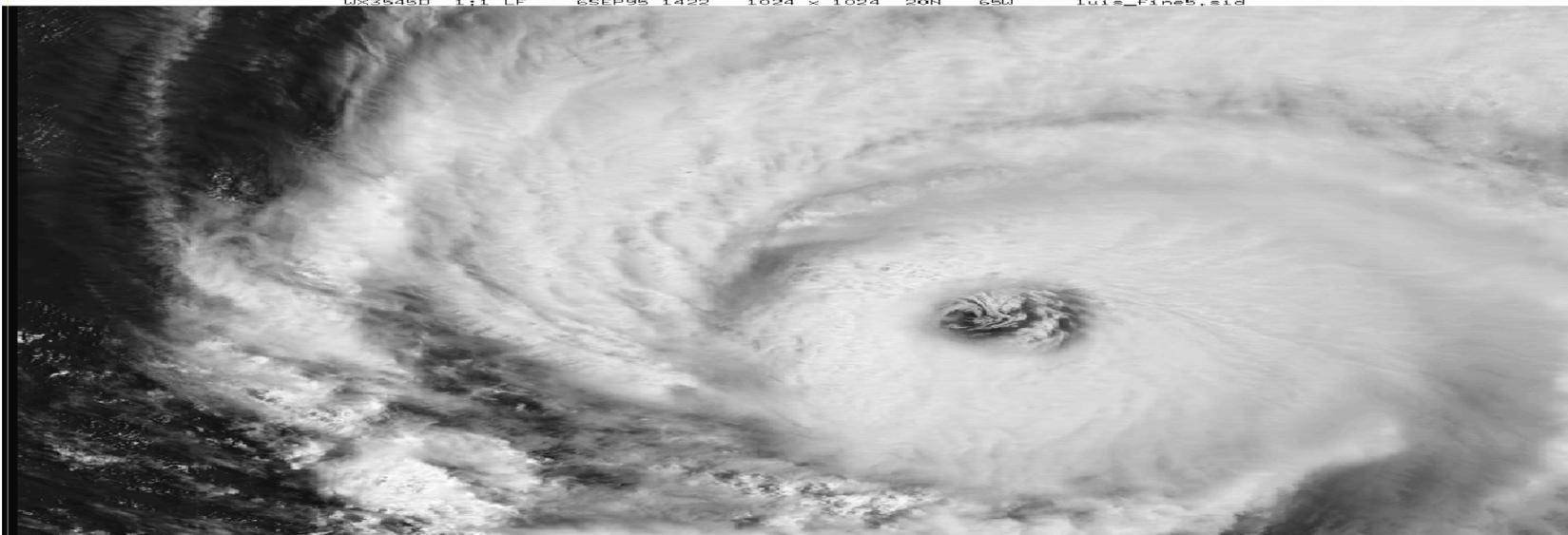
**OFFICIAL**  
Home office worker



## Industry Challenge

A “perfect storm” of trends in underwriting has emerged to challenge the industry in the early years of the 21st Century:

1. An alarming number of the most experienced underwriters have, or are reaching retirement age.
2. There are not enough well trained underwriters coming up through the ranks to fill the void.
3. The demand on underwriting departments to keep up is being fueled by the increasing volume and complexity of applications being generated by a growing, and longer living, baby boom generation.



## In Search of a Solution

Competition for a shrinking resource pool:

- When looking at the major online job search sites (Monster.com, Careerbuilder.com, etc.) there are over 4,000 cumulative postings for open underwriting positions across the life/health insurance industry on any given day.
- Many companies are adapting to this reality by working with full and part time remote underwriters as either employees or contractors.



## Parameds.com (PDC) Remote Underwriting Survey 2006-2007

### Remote Underwriters

- Survey of Remote Underwriters (currently working from home as a contractor or employee)
- One-on-one interviews with Remote Underwriters results published December, 2006 in *On the Risk*, Journal of the Academy of Life Underwriting (addendum item 2)

### Carriers and Reinsurers

- Survey of Life and Health Carriers and Reinsurers (surveys sent to 225 companies)

### Researched and Presented

- Study authored and conducted by Chris Orestis and Eli Rowe-- December, 2006 into January, 2007
- Findings first presented at the 37<sup>th</sup> Annual Meeting of the Metropolitan Underwriting Discussion Group (MUD) on January 23, 2007 by Eli Rowe, CEO of Parameds.com

#### Remote Underwriting Survey

##### Background Questions

1) How many years have you been an underwriter?

- 1-5
- 5-10
- 10-20
- More than 20

2) Describe Product Experience

- Life
- Health
- Disability
- Long-Term Care
- Life Settlement
- Other

3) Describe Company Size Experience

- Small
- Mid-Size
- Top 50

4) What level of underwriter were you when you left the home office?

Job Title \_\_\_\_\_

5) Who do you currently work for?

- Insurer
- Outsourcing company
- Self-employed

## Parameds.com (PDC) Remote Underwriting Survey 2006-2007

### *Remote Underwriter Responses*



HOME OFFICE DISTRACTION #43

1) How many years have you been an underwriter?

- 1-5 (0)
- 5-10 (26%)
- 10-20 (44%)
- More than 20 (30%)

*\*\* Majority 10-20 years or more*

2) Describe Product Experience

- Life (87%)
- Health (21%)
- Disability (48%)
- Long-Term Care (56%)
- Life Settlement (8%)

*\*\* Majority Life experience with even spread across DI and LTC*

### 3) Describe Company Size Experience

- Small (21%)
- Mid-Size (35%)
- Top 50 (75%)

**\*\* Large majority with top 50 experience**

### 4) Who do you currently work for?

- Insurer (26%)
- Outsourcing company (52%)
- Self-employed (30%)

**\*\* Majority are working for outsource companies for remote underwriting assignments**

5) What level of underwriter were you when you left the home office?

Job Title (representative sample below):

- **Director of UW**
- **Trainer**
- **Director of Claims**
- **Senior UW**
- **Chief UW**
- **Vice President of UW**

*\*\* Underwriters with considerable years of experience and of senior level rank are available to work remotely*

6) What are the typical hours that you work remotely over the course of the week?

- Under 10 hours (17%)
- 10-20 hours (21%)
- 20-30 hours (26%)
- 30-40 hours (25%)
- Over 40 hours (17%)

**\*\* Evenly spread with majority in the 10-30 hours range**

7) How much more time do you spend with undistracted underwriting compared to when you were in the home office?

- More (79%)
- Less (8%)
- Same (13%)

**\*\* Vast majority find remote underwriting to provide more time for undistracted work than compared to working in an office environment**

8) Do you work off-hours? Yes (91%) / No (9%)

- Before and/or after “business hours” (78%)
- Weekends (83%)
- Holidays (26%)

**\*\* Vast majority work during “off-hours” choosing early morning/evenings and weekends while for the most part enjoying their holidays**

9) Do you have dedicated office space and equipment for your underwriting?

- Yes (100%)
- No (0)

\*\* *Unanimous use of dedicated office space and equipment*

10) Are you a member of any underwriting orgs i.e. AHOU or regional's such as MUD?

- Yes (39%)
- No (61%)

\*\* *Majority do not belong to any underwriting orgs but more are involved than expected*

11) Do you seek out information on underwriting techniques and health conditions?

- Yes (100%)
- No (0)

\*\* *Unanimous effort to seek out information that will assist in doing their jobs*

12) Do you stay in touch with underwriting peers to discuss general and/or case specific questions?

- Yes (96%)
- No (4%)

*\*\* Vast majority make an effort to stay in touch with peers to discuss underwriting*

13) Is there enough training and grooming of underwriters today?

- Yes (35%)
- No (65%)

*\*\* Underwriters did not think there is enough training and grooming at an almost two to one margin*

14) Are you more or less productive now that you are a remote underwriter?

- More (78%)
- Less (0)
- Same (22%)

*\*\* Vast majority indicate more productive with a minority indicating same, and none indicating a drop in productivity*

15) Would you recommend to another underwriter going remote if possible?

- Yes (100%)
- No (0)

*\*\* Unanimous endorsement for remote underwriting*

16) How would you rate the current working environment for remote underwriters?

(rated on a scale of 1 being most negative and 10 being most positive)

1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 = **Average score of 7.5**

*\*\* Underwriters consider the current environment for remote underwriting to be positive and on the rise*

## 17) What advice would you give to an underwriter contemplating working from home?

- “Need to be disciplined, a self-starter and self-sufficient”
- “Make certain you have the proper equipment and working environment”
- “Set up a work schedule and adhere to it”
- “You need to be very organized”
- “It is important to manage your time effectively to ensure that company goals are met”
- “Set up a dedicated office to work in and go to your office to work everyday at the same time just like going to an office outside of the home”
- “Be available more than the normal business hours, be flexible”
- “Finish what you start, don’t allow interruptions”
- “If you are easily distracted or need outside motivation, working remote is not for you”
- “Keep your peer contacts and continue your UW/industry education”
- “It’s like working by an honor system, be trustworthy and reliable, don’t promise more than you can do, along with reliability– communication is important”
- “Be thankful you can work from home, I know I am”

[www.goofball.com](http://www.goofball.com)



SkunkMan

Casual Friday for the  
Telecommuter

## 18) What advice would you give companies contemplating using remote underwriters?

- “Keep in close communication and include the remote underwriters in all key meetings and new directives”
- “Include UW in case clinics and UW training via telephone or internet conferencing”
- “Use UW who have shown an ability to work well, with little supervision, and already have significant training and experience to work on their own”
- “Most UW working remotely work harder than the ones in the home office. They do not have as many distractions”
- “Set realistic but measurable goals, provide the underwriters with all of the tools and systems that are required to do their job efficiently”
- “Check resumes and references– make sure they are experienced and fluent in medical terminology and vocabulary and can spell well”
- “Audit cases immediately when starting a new person to (verify skills and experience)”
- “Make sure your communication is as if the remotes were in the office. Provide constructive feedback on how the remote is performing”
- “Make sure the UW is experienced and disciplined enough to work from home without supervision, and possibly experienced working from home in the past”
- “Be flexible with remote employees’ time and they will work many more hours than any in-house”



TELEWORKING WAS THE DEATH OF THE OFFICE PARTY

## Parameds.com (PDC) Remote Underwriting Survey 2006-2007

### *Carrier and Reinsurer Responses*



"Ater considering the pros and cons of commuting, I've decided the only sane thing to do is live in my office."

1) Do you use remote underwriters?

- Yes (38%)
- No (62%)

*\*\* All yes responses came from Top 50 carriers and Top 5 reinsurers and all no responses came from small to mid-size companies with 26% of no responses indicating high interest and/or remote underwriting programs in development*

2) If yes, are they employees or contractors?

- Employees (60%)
- Contractors (40%)

*\*\* The majority of carriers and reinsurers maintain an employee relationship but the use of contract underwriters is not uncommon (and a mix of both in some cases)*

3) If contractors, are they independent or sourced through an organization?

- Independent (50%)
- Outsourced (50%)

*\*\* Even distribution of contract underwriters that are obtained directly as independent contractors and those that are obtained through outsourcing companies*

4) If employees, are they full time or part time?

- Full Time (76%)
- Part Time (24%)

*\*\* Full time remote underwriters outnumber part timers by more than two to one*

### 5) How many years have you been using remote underwriters?

- Less than 1 (30%)
- 1-2 (20%)
- 2-5 (40%)
- More than 5 (10%)

**\*\* Majority of carriers using remote underwriters for one year or more with 50% 2-5 or more years**

### 6) Describe Products Underwritten

- Life (100%)
- Health (4%)
- Disability (8%)
- Long-Term Care (8%)
- Life Settlement (0)

**\*\* All are using remote underwriters on life products**

### 7) Describe Company Size

- Small (17%)
- Mid-Size (39%)
- Top 50 (44%)

**\*\* Proportional spread of responses and experience across company size**

8) What are the typical hours that your remote underwriters work over the course of the week?

- Under 10 hours (5%)
- 10-20 hours (13%)
- 20-30 hours (5%)
- 30-40 hours (59%)
- Over 40 hours (18%)

\*\* *Vast majority use remote underwriters from 30-40 and more hours per week*

9) Do your remote underwriters work off-hours? Yes (79%) / No (21%)

- Before and/or after “business hours” (74%)
- Weekends (37%)
- Holidays (11%)

\*\* *Vast majority work during “off-hours” choosing early morning/evenings and weekends while for the most part enjoying their holidays*

10) Do remote underwriters appear to be more productive than home-office underwriters?

- More (58%)
- Less (0)
- Same (42%)

\*\* *None selected less productive and all consider remote underwriters to be more or equally productive*

11) Do you require dedicated office space, equipment, and secure connectivity with your remote underwriters?

- Yes (74%)
- No (26%)

*\*\* Although not unanimous, it is a requirement for a 2/3 majority of carriers and reinsurers*

12) Do you provide equipment and supplies for your remote underwriters?

- Yes (74%)
- No (26%)

*\*\* Carriers and reinsurers will equip remote underwriters at a 2/3 margin over those that do not*

13) Do you provide information on underwriting techniques and health conditions to your remote underwriters?

- Yes (100%)
- No (0)

*\*\* Unanimous support for remote underwriters with information needed to be productive*

14) Do you maintain peer-to-peer discussion groups for general and/or case specific questions?

- Yes (79%)
- No (21%)

*\*\* A significant majority of carriers and reinsurers maintain peer level communications and support to keep underwriters informed and productive*

15) Is there enough training and grooming of underwriters today?

- Yes (5%)
- No (95%)

*\*\* Almost unanimously, carriers and reinsurers agreed that there is a lack of training and long-term development of underwriters today*

16) Is your overall underwriting more or less productive since using remote underwriters?

- More (79%)
- Less (5%)
- Same (16%)

*\*\* The vast majority of carriers and reinsurers felt that their overall productivity had increased or remained the same using remote underwriters*

17) Have you experienced cost savings through use of remote and/or outsourcing underwriting functions?

- Yes (26%)
- No (63%)
- N/A (11%)

*\*\* The majority of carriers did not experience cost savings through the use of remote underwriters (although some of the no responses indicated to soon to quantify)*

18) Would you recommend to a home-office underwriter going remote if possible?

- Yes (84%)
- No (16%)

*\*\* At a pace of more than four to one, a positive recommendation to work remotely would be made*

19) Would you recommend to another company using remote underwriters if possible?

- Yes (84%)
- No (16%)

*\*\* At a pace of more than four to one, carriers and reinsurers would recommend using remote underwriters*

20) How would you rate the current working environment for underwriters working inside a home office?

(rated on a scale of 1 being most negative and 10 being most positive)

1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 = **Average score of 7.3**

21) How would you rate the working environment for remote underwriters compared to that of home office underwriters?

(rated on a scale of 1 being most negative and 10 being most positive)

1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 = **Average score of 7.4**

*\*\* Carriers see little difference in the working environment for underwriters in an office as compared to remote*

## 22) What advice would you give to an underwriter contemplating working from home?

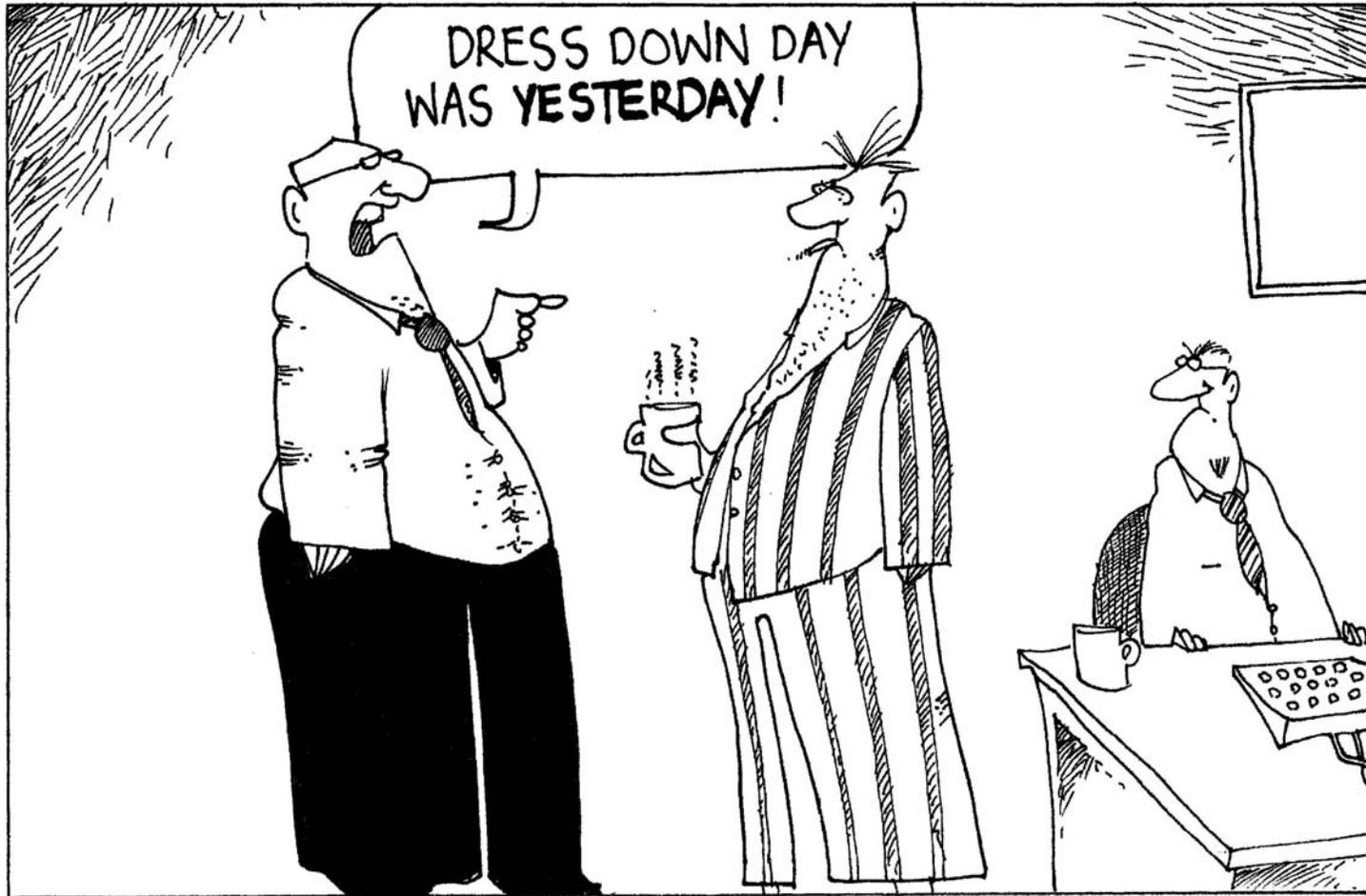
- “Establish work hours and stick to them... as if you were working in an office environment”
- “If choosing a pure, technical career path then remote would be an option... If they would prefer a leadership position they should consider remaining in the office”
- “Organization and communication with the home office are crucial”
- “They must be focused and must have a quiet place to work”
- “Are you sure you can handle the lack of contact with your fellow employee? At best you are very isolated from the company and fellow employees”
- “Understand that you will be asked to produce more file work and advancement beyond Senior Underwriter is limited”
- “Make visits to the home office on a regular basis to maintain the relationship and rapport with the management team”
- “It takes special skills to be successful when working remotely– focus, discipline and organization. Not everyone can work remotely”
- “Make the experience as invisible as possible for the customers”
- “Remote underwriting is appropriate for people who’s lives take precedence over their career”



“The key to a successful home business is self-discipline.”

### 23) What advice would you give companies contemplating using remote underwriters?

- “Be clear upfront on how you want your cases underwritten. If you can provide a manual to them, this makes the transition much easier. Watch their work closely”
- “Issues with technology and connectivity are critical”
- “Ability for a producer to call home office and seamlessly reach a remote underwriter is a definite plus”
- “You better have metrics to check production”
- “Clear communication lines must be established and maintained”
- “You need to be very careful of who you allow to work in this environment”
- “Hire remotes as contractors instead of employees since it is much easier to terminate arrangement with a contractor”
- “Good way to leverage your company when competing in this market with such a shortage of talent”
- “Excellent solution when location of home office is problematic”
- “Ensure that (remote) staff are carefully selected to be self-motivated and driven individuals so production and quality are not compromised”
- “Have a contract in place with each remote so there is a mutual understanding of the service levels, expectations, results, etc.”
- “Underwriters should not be allowed to work from home until they have firmly established within the company”
- “Consider a pilot”
- “Try it”



SOMETIMES COLIN FOUND IT DIFFICULT TO GET BACK INTO THE OFFICE ROUTINE

## Parameds.com (PDC) Remote Underwriting Survey 2006-2007

### *Reinsurers' Perspective*



“It’s important to appear professional,  
even when working fom home.”

How would you rate the current working environment for underwriters working inside a home office?

(rated on a scale of 1 being most negative and 10 being most positive)

1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 = **Average score of 6.6**

How would you rate the working environment for remote underwriters compared to that of home office underwriters?

(rated on a scale of 1 being most negative and 10 being most positive)

1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 = **Average score of 8.0**

*\*\* Reinsurers see the question of work environment differently than the carriers— they see the office environment as less favorable than the carriers' perception (7.3) and the remote environment more favorable than the carriers' perception (7.4)*

## What advice would you give to an underwriter contemplating working from home?

1) *I am in reinsurance and we have to consider constantly when quoting for direct writers how their underwriting staff functions and if they have a remote force how they are being managed and accounted for:*

- Must have undisturbed time (no kids, pets, outside calls other than emergencies)
- Must be self-disciplined, not easily distracted
- Must have a dedicated area that is not used by any other family member
- Must observe the same confidentiality and ethic issues as in the Home Office
- Must have dedicated equipment

2) *Stay in touch with home office. Don't guess – ask! Put aside a separate time and space for your work and try to stick to a routine.*

3) **FIRST, AND FOREMOST, ARE YOU WILLING TO POSSIBLY TRADE A CAREER FOR A JOB?**

4) Know yourself – whether you have the organization & self-discipline to be successful at being remote. Flexibility is also very important- you need to be flexible to trouble shoot IT issues, etc with the IT folks into the evening hours, weekends, etc to solve problems. It's not just an 8-5 job every day.

What advice would you give companies contemplating using remote underwriters?

1)

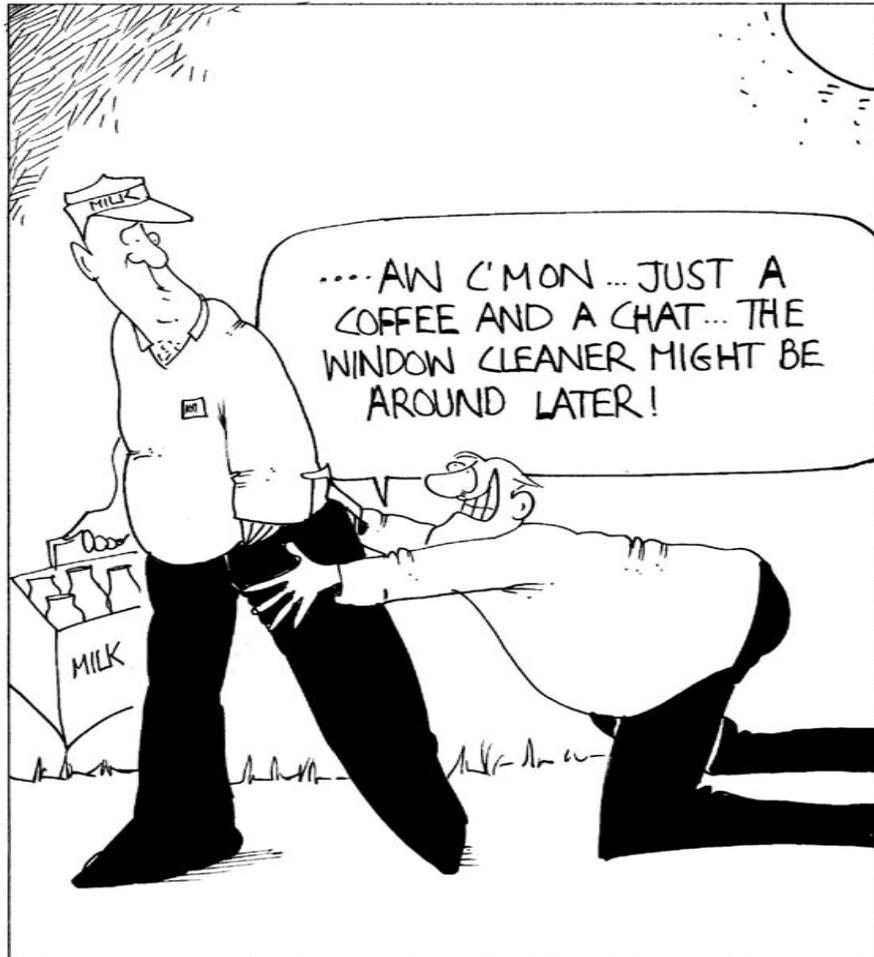
- Must provide equipment/communication needs/IT security
- Must provide clear and precise expectations in terms of productivity, delivery, accountability (job description must be specific to a remote position)
- Must have measurement controls to audit remote function (total output, time service, offers, placement, phone interaction)
- Must have periodic “conferencing” or “training” interaction with remote staff
- Must treat remote employee with the same consideration as Home Office and not ignore (out of sight, out of mind\_

2) *Only suitable for experienced underwriters with a lot of self-discipline. Make sure to stay in touch with the remote underwriter on a regular basis – at least once a week. Don't forget to include them in departmental news, emails, meetings etc.*

3) TEST YOUR SYSTEM, TEST YOUR ELECTRONIC UW SYSTEMS. SYSTEM DOWN TIME FOR A TELECOMMUTER TOTALLY NON-PRODUCTIVE AND IS VERY DIFFICULT TO RECOUP.

4) Set guidelines and train before hand

5) There are a lot of companies doing it now, most very successfully. Talk to them about what does & doesn't work and what you need to have in place to offer remote underwriting to your employees so you can do it successfully too.



AS A TELEWORKER COLIN SOMETIMES  
STRUGGLED AGAINST FEELINGS OF  
ISOLATION

## Parameds.com (PDC) Remote Underwriting Survey 2006-2007

### *Comparison of Survey Results and Key Conclusions*



" I WORK AT HOME NOW, REMEMBER ? "

*Areas of Similarity across Remote Underwriters, Carriers, and Reinsurers:*

- Life insurance is predominant line
- Company background as top 50 is majority
- Hours worked is 30 hours or more as majority
- All agree that remote underwriters have more undistracted time, and are more or equally productive as compared to an office environment
- Majority experience significant “off-hours” underwriting (before or after office hours and weekends)
- Majority agree that dedicated office space and equipment is important
- Majority agree on the importance of pro-active efforts to stay current with underwriting and medical information as well as maintaining peer level communication
- Majority agree that there is a lack of training and long-term grooming
- All agree that they would make positive recommendations to colleagues about remote underwriting
- When asked to rank the current environment for remote underwriters; Underwriters, Carriers and Reinsurers were very close in their opinions averaged on a scale of 1-10:
  - UW (7.5)
  - C (7.4)
  - RE (8.0)

## Key Conclusions-- Myths vs. Facts:

*Myth:* Remote underwriting is a passing fad that will never catch on.

*Fact:* Remote underwriting is in fact a trend that has been growing for years and there are numerous examples of companies running successful programs for 2-5 years or more.

*Myth:* Remote underwriting could replace the need to staff an office with underwriters.

*Fact:* Remote underwriting is not a replacement for the home office underwriter. It is a tool to enhance productivity through staff augmentation, offset the loss of experienced personnel to retirement/attrition, and a way to overcome relocation problems when attempting to attract personnel.

*Myth:* Reinsurers look unfavorably at companies using remote underwriters.

*Fact:* Reinsurers do not look down on the use of remote underwriting, and in fact, as a group, reinsurers rate the environment for remote underwriting even more favorably than both the carriers and the remote underwriters– with the majority of reinsurers participating in this study currently using remote underwriters themselves.

## Key Conclusions-- Myths vs. Facts:

*Myth:* Using remote underwriters is a great way to cut costs and trim budgets.

*Fact:* The majority of companies indicated that they achieved no cost savings through the use of remote underwriters. A number of them did qualify their answer by stating it was still too early to accurately compare and quantify the difference of costs associated with remote underwriters vs. that of home office underwriters.

*Myth:* Starting a remote underwriting program is as easy as letting some staff work from home.

*Fact:* A prudent way to start a remote underwriting program would be to first launch a pilot program using a select group of underwriters that already proven their acumen and initiative. Areas that a company will want to trouble shoot and understand are IT connectivity (computer and phone), production metrics, operating guidelines, legal issues, and quantifying costs. Another viable option for using remote underwriters for the first time would be through the use of an outsourcing company with proven experience, systems, and personnel.

## Key Conclusions-- Myths vs. Facts:

*Myth:* Remote Underwriters operate in a “vacuum”.

*Fact:* The most successful remote underwriting programs are a seamless extension of the home office. Remote underwriters need to be supported by clear and consistent communication and their technology must be up to date, securely connected to the home office and receive dedicated IT support. When dealing with agents or brokers, the fact that a remote underwriter is working on a case should be indistinguishable.

*Myth:* Anyone can switch from an office environment to underwriting from home.

*Fact:* Remote underwriting is not for everyone. Remote underwriters need to be well organized, self-disciplined, and not require external motivation and supervision to consistently deliver their assigned cases.

## Key Conclusions-- Myths vs. Facts:

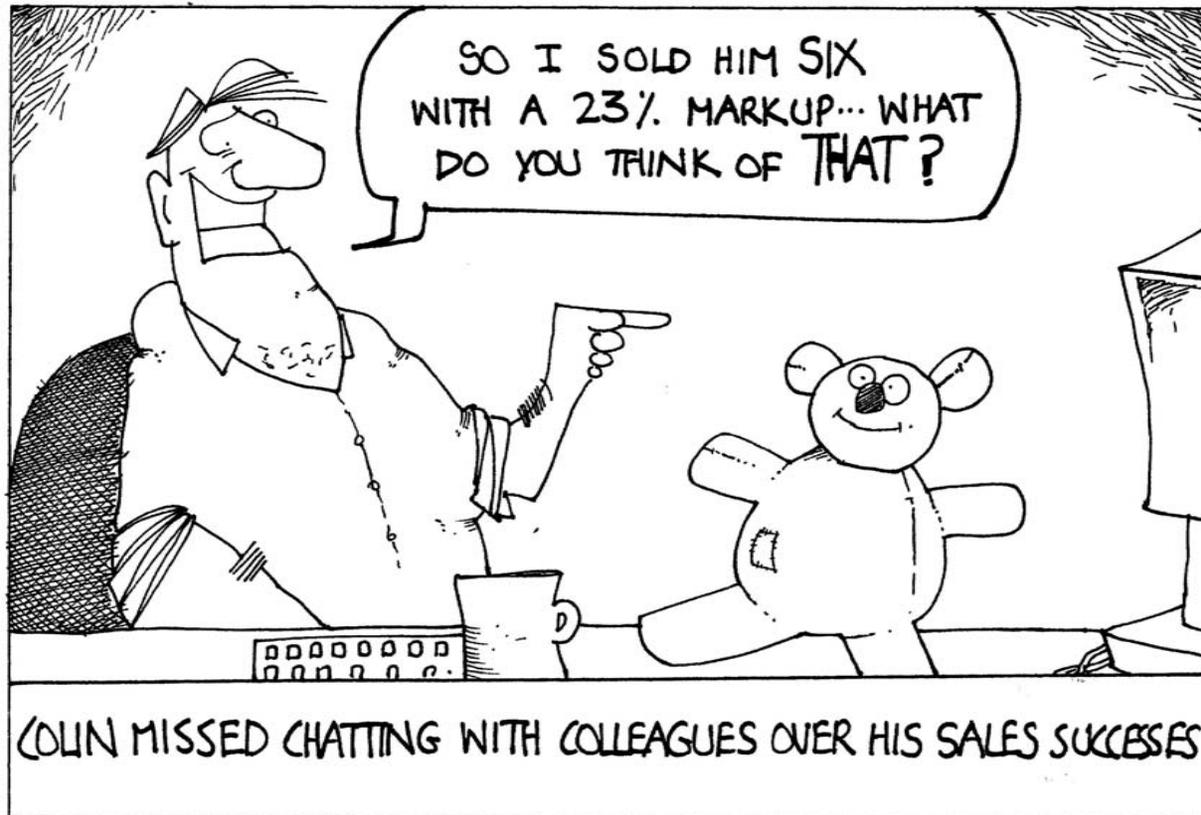
*Myth:* Remote underwriting is a way to begin and/or advance an underwriting career path.

*Fact:* The typical profile of a remote underwriter is someone with 10 to 20 years of home office experience. Many remote underwriters have already achieved senior rank as an underwriter and are now looking beyond career growth as top priority. They find the flexibility of hours and location to be more important than office dynamics and opportunities for advancement. Both the remote underwriters and carriers caution that lack of “face time” and regular interaction will limit, if not rule out, career advancement.



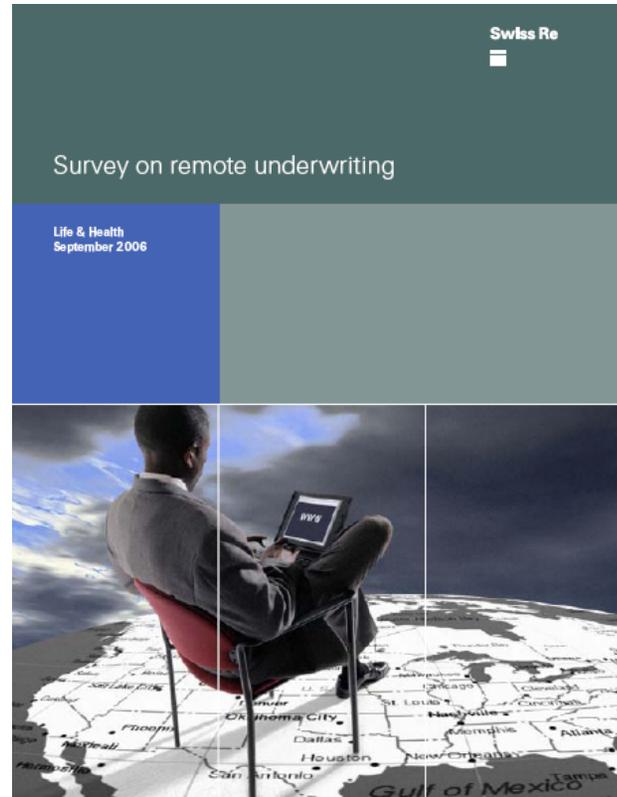
## Parameds.com (PDC) Remote Underwriting Survey 2006-2007

### ADDENDUM



## Parameds.com (PDC) Remote Underwriting Survey 2006-2007

### *Survey on Remote Underwriting* **Swiss Re** **September, 2006**



1) Primary reasons for using remote underwriting (top 3 reasons):

- Retain existing staff (75%)
- Stay competitive in industry (67.9%)
- Increase staff w/out costly relocation and expense (57.1%)

2) Do you feel remote underwriting is cost effective for the company?

- Yes (100%)

3) Do you feel remote underwriting benefits the company overall?

- Yes (100%)

4) How long have you had remote underwriting on your staff?

- One year or less (slightly less than 1/3)
- One to five years (almost 40%)
- More than five years (almost 30%)

5) For those not currently using remote underwriters, just over 1/2 of respondents indicated considering use in the future

6) For those using contract remote underwriters, the top 3 reasons are:

- Regular underwriting workload (44.2%)
- Reduce backlogs (30.8%)
- Review and summarize APS reports (13.5%)

## Parameds.com (PDC) Remote Underwriting Survey 2006-2007

*Remote Underwriter Interviews*  
aggregate results as they appeared in  
December, 2006 *On the Risk*

ON THE *Risk*

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## December, 2006 *On the Risk*

Article “Underwriting in the 21<sup>st</sup> Century: Life Outside the Home Office” compendium of remote underwriter interviews (conducted spring 2006):

- We asked underwriters that are currently working from home questions about how working outside of the office environment has impacted their lifestyle and professional growth and how they perceive trends that are impacting the insurance industry.
- The underwriters we interviewed all have decades of experience and were very candid about the positive and negative aspects of operating as a “remote” or “outsourced” underwriter.

The slides that follow are an aggregation of the verbatim responses captured during the one-on-one interviews and were published in *On the Risk*, December, 2006--

**1) How many years have you been an underwriter?**

- **All of the interview participants had significant experience as an underwriter working for life and health insurers with a range between 5 and 40 years. All have been underwriting on an outsourced basis anywhere from 1-5 years.**

**2) What companies were you employed by when you were a “home office” underwriter?**

- **Our participating underwriters have worked for large and small insurance companies, a BGA, and in some cases for insurers that no longer exist as their former selves:**

**Bankers Life, BISYS, Connecticut Mutual, First Continental, General American, MONY, The Hartford National Life of Vermont, United Healthcare, and UnumProvident are some of the underwriters former employers.**

**3) What product lines have you been responsible for?**

- **The product lines that our underwriters have underwritten were primarily life and STD/LTD for group and individual markets, some annuities, healthcare, and LTC.**

**4) What level of underwriter were you when you left the home office?**

- **We spoke with former director and chief level underwriters, underwriting officers, and senior vice presidents.**
- **Some had been responsible for underwriting and operations with staffs in the hundreds and multi-million dollar budgets, while others had run small teams and remote offices across the U.S. (and in Canada).**

**5) How would you describe the current environment for insurers?**

- **Companies are experiencing record profits and a definite contributing factor to the rise in profitability is cost cutting and outsourcing some functions that traditionally were handled in-house.**
- **Underwriting departments' staff and budgets are not growing at the same pace as new business (and the demand for ever faster time service).**
- **Outsourcing work has become a way to access hard to find underwriting talent and to cut costs such as benefits and overhead.**
- **The general consensus of the current condition of underwriting departments was not entirely favorable:**
  - **understaffed and overworked**
  - **big growth in trial applications and APS bottlenecks**
  - **limited administrative support**
  - **not enough training**
  - **deteriorating relations with the field**
  - **too much pressure for quantity over quality**
  - **too much interference and micro-managing**
  - **too much non-essential communication (email) and distractions (unproductive meetings) and too much stress.**

**6) What do you see happening in underwriting departments?**

- **Significant shift in attitudes over the last thirty years to higher risk tolerance as interpretation of medical science and societal issues has evolved—many things once unacceptable are now common place.**
- **A shift in attitude has also happened in the acceptance of underwriters working from outside of the home office environment with the trend more pronounced on the Life/DI/LTC side than Health.**
- **Overall the misconception that outsourcing means people will lose jobs is quickly being replaced by the realization that it is actually a productivity enhancer.**
- **Management seems to now view the trend as less about cost/job cutting and more about access to hard to find talent and increased productivity.**
- **Costs and delays associated with requirements continue to be a bottleneck for underwriting departments.**
- **Today, underwriters are being judged as much on quantity of work and time service as they are on risk experience.**
- **This dynamic is creating an even bigger divide between the upper ranks of underwriting management and the rank and file staff.**

**7) Is there enough training and grooming of underwriters today?**

- **Underwriters participating in formal, long-term training/apprenticeships while raising through the ranks with the same company over years has become quite rare.**
- **Companies can't afford to wait years developing home grown talent and therefore are less interested in training and instead look to hire the talent they need when they need it.**
- **Training remains an important aspect of an underwriter's development and being able to stay current on evolving underwriting and medical issues.**
  - **Training still exists but it has become more "modular" and specific to conditions or trends.**
  - **Training and staying current is now more the responsibility of the individual to find the resources and time on their own.**
- **This reality has made the highly skilled/trained underwriter a hard to find (and valuable) commodity as experienced underwriters that have been in the business 25 years or more begin to retire.**

## 8) Describe the experience of being an underwriter working from home

### *Pros-*

- Every one of the underwriters interviewed cited how much they enjoy the freedom that working from home has allowed them. They do not miss commuting and feel they are more productive because:
  - they are not interrupted by in-office distractions such as non-productive meetings, water cooler gossip, and office politics.
  - remote system access and the option to work on a 24-7 basis contributes to their productivity, and communications through email and conf calls keep them informed.

### *Cons-*

- The trade-offs cited include: feeling like they need to work harder to justify their at-home status, as well as feelings of isolation and being “out of the loop” when not interacting in an office environment.
- They do need to take the initiative to stay “in the loop” with colleagues, read industry periodicals, attend industry meetings and join organizations such as AHOU or MUD to stay involved.
- All of the underwriters agreed that working from home is not for everybody and that it takes discipline, self-motivation and the ability to overcome the “isolation” factor to succeed.

**9) What advice would you give to an underwriter contemplating working from home?**

- **You will need to set up dedicated space in your home and treat it as if you are going to the office—  
- your attitude needs to be that you are “commuting” to the next room for work.**
- **Build and stick to routines and establish discipline with your schedule and work habits.**
- **You will need to make the effort to stay on top of trends in underwriting and should be active with underwriting groups.**
- **If you are a contractor, don’t put all your eggs in one basket and look to hook up with outsourcing companies as a source of assignments.**
- **Make sure you understand your finances and the tax benefits of working from your home office.**
- **You will need up to date equipment dedicated to this use and you should have high-speed internet.**
- **Lastly, try experimenting with working from home while still in the office before setting up shop and making the move.**

**10) What advice would you give companies contemplating using remote underwriters?**

- **Companies need to realize that much of the best underwriting talent is now retiring but still interested in working with creative/flexible arrangements.**
  - **Smart companies can actually benefit from this trend.**
- **Realize that remote workers can actually be more productive and are very motivated to prove it.**
- **Some work can be broken up like an assembly line shared between remote underwriters and home office underwriters (i.e. tele-underwriting, APS summaries, quick quotes, claims review, etc.).**
- **Companies should at least experiment with remote underwriters to get a feel for how it would work for them.**
  - **Match up remote and on-site underwriters for cost-benefit and productivity comparison.**
  - **Examine IT options for remote and secure connectivity.**
- **Get a plan in place because this is where underwriting is going.**

## Conclusion

- Companies both large and small are sharing the same problem: too much work and not enough trained underwriters to go around.
- The supply of experienced underwriters has been shrinking for years and there has not been enough emphasis placed on long-term training to replenish this diminishing resource.
- All of our participants agreed that the chief underwriter's responsibility is to deliver optimum mortality/morbidity results.
- Today's environment can either propel or hinder an underwriting department's ability to deliver those desired results.
- Well trained and experienced underwriting resources are getting harder to find and it will only get worse.
- It is time to start thinking out of the box and consider all the tools that are available.
- Using remote/outsourced underwriters is a potential means to deliver maximum results with the most cost and time effective resources available.
- Successful careers in underwriting are extending beyond a centrally located corporate office—with both underwriters and home offices benefiting.

## **Parameds.com (PDC) Remote Underwriting Survey 2006-2007**

### ***Survey Documents***

## Remote Underwriting- Underwriter Survey

### Remote Underwriting Survey

#### Background Questions

1) How many years have you been an underwriter?

- 1-5
- 5-10
- 10-20
- More than 20

2) Describe Product Experience

- Life
- Health
- Disability
- Long-Term Care
- Life Settlement
- Other

3) Describe Company Size Experience

- Small
- Mid-Size
- Top 50

4) What level of underwriter were you when you left the home office?

Job Title \_\_\_\_\_

5) Who do you currently work for?

- Insurer
- Outsourcing company
- Self-employed

## Remote Underwriting- Underwriter Survey

### Remote Underwriting Questions

1) What are the typical hours that you work remotely over the course of the week?

- Under 10 hours
- 10-20 hours
- 20-30 hours
- 30-40 hours
- Over 40 hours

2) How much more time do you spend with undistracted underwriting compared to when you were in the home office?

- More
- Less
- Same

3) Do you work off-hours?

- Before and/or after "business hours"
- Weekends
- Holidays

4) Do you have dedicated office space and equipment for your underwriting?

- Yes
- No

5) Are you a member of any underwriting orgs i.e. AHOU or regional's such as MUD?

- Yes
- No

6) Do you seek out information on underwriting techniques and health conditions?

- Yes
- No

7) Do you stay in touch with underwriting peers to discuss general and/or case specific questions?

- Yes
- No

## Remote Underwriting- Underwriter Survey

### Opinion Questions

- 1) How would you rate the current working environment for underwriters working inside a home office :  
(rated on a scale of 1 being most negative and 10 being most positive circle one number)  
1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10
- 2) Is there enough training and grooming of underwriters today?  
 Yes  
 No
- 3) Are you more or less productive now that you are a remote underwriter?  
 More  
 Less
- 4) Would you recommend to another underwriter going remote if possible?  
 Yes  
 No
- 5) What advice would you give to an underwriter contemplating working from home?
- 6) What advice would you give companies contemplating using remote underwriters?

## Remote Underwriting- Carrier/Reinsurer Survey

### Background Questions

- 1) Do you use remote underwriters?
  - Yes
  - No
- 2) If yes, are they employees or contractors?
  - Employees
  - Contractors
- 3) If contractors, are they independent or sourced through an organization?
  - Independent
  - Outsourced
- 4) If employees, are they full time or part time?
  - Full Time
  - Part Time
- 5) How many years have you been using remote underwriters?
  - Less than 1
    - 1-2
    - 2-5
    - More than 5
- 6) Describe Products Underwritten
  - Life
  - Health
  - Disability
  - Long-Term Care
  - Life Settlement
  - Other
- 7) Describe Company Size
  - Small
  - Mid-Size
  - Top 50

## Remote Underwriting- Carrier/Reinsurer Survey

### Remote Underwriting Questions

- 1) What are the typical hours that your remote underwriters work over the course of the week?
  - Under 10 hours
  - 10-20 hours
  - 20-30 hours
  - 30-40 hours
  - Over 40 hours
- 2) Do remote underwriters appear to be more productive than home-office underwriters?
  - More
  - Less
  - Same
- 3) Do your remote underwriters work during times other than normal “business hours”?
  - Before and/or after “business hours”
  - Weekends
  - Holidays
- 4) Do you require dedicated office space, equipment, and secure connectivity with your remote underwriters?
  - Yes
  - No
- 5) Do you provide equipment and supplies for your remote underwriters?
  - Yes
  - No
- 6) Do you provide information on underwriting techniques and health conditions to your remote underwriters?
  - Yes
  - No
- 7) Do you maintain peer-to-peer discussion groups for general and/or case specific questions?
  - Yes
  - No

## Remote Underwriting- Carrier/Reinsurer Survey

### Opinion Questions

1) Two part question A & B:

A- How would you rate the current working environment for underwriters working inside a home office?  
(rated on a scale of 1 being most negative and 10 being most positive circle one number)

1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10

B- How would you rate the working environment for remote underwriters compared to that of home office underwriters?

(rated on a scale of 1 being most negative and 10 being most positive circle one number)

1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10

2) Is there enough training and grooming of underwriters today?

Yes

No

3) Is your overall underwriting more or less productive since using remote underwriters?

More

Less

4) Have you experienced cost savings through use of remote and/or outsourcing underwriting functions?

Yes

No

5) Would you recommend to a home-office underwriter going remote if possible?

Yes

No

Would you recommend to another company using remote underwriters if possible?

Yes

No

6) What advice would you give to an underwriter contemplating working from home?

7) What advice would you give to a company contemplating using remote underwriters?



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## Underwriting in your Underpants *Life Outside the Home Office*

Parameds.com (PDC) Remote Underwriting Survey 2006-2007

**OFFICIAL**  
Home office worker

