

National Underwriter

Study Maps Shift to Remote Underwriting

BY JIM CONNOLLY

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Technology is cutting the chains that once shackled life underwriters to the home office.

Today, 38% of life insurers and life reinsurers say they use remote underwriters, according to Eli Rowe, chief executive of Parameds.com Inc., Kew Gardens, N.Y.

About 77% of the remote underwriters work at least 30 hours a week, Rowe said here at a meeting of the Metropolitan Underwriters Discussion Group.

Rowe, who based his statistics on a survey of large and midsize life insurers and life reinsurers, said he expects use of remote underwriting to increase over the next few years.

“There are an alarming number of experienced underwriters that are reaching retirement age,” Rowe noted.

Encouraging remote underwriting may be a good way to attract a new generation of underwriters to the insurance industry, Rowe said.

For now, Rowe said, most remote underwriters are people who have many years of insurance industry experience.

Just about all of the remote underwriters who participated in the survey said they have at least 5-20 years of insurance experience, Rowe reported.

To make a remote underwriting program work, an insurer needs to identify the right people for the job; set them up with the right equipment right away; establish an open line of communication; create performance standards; and keep remote underwriters connected to the home office, Rowe said.

All of the remote underwriters Rowe’s firm interviewed said they have dedicated offices for their work, Rowe said.