OLIVER WYMAN | MONTOUX | aws

Have collaborated to bring you

DATA, ANALYTICS AND DECISIONS - HOW MODERN INSURERS ARE IMPROVING IN-FORCE VALUE IN LONG-TERM CARE

Webinar guidance

- Questions will be taken via the "Q&A" function at the bottom of your screen. They will be gathered throughout the webinar and we will answer as many as time allows. Attendees are able to up-vote questions.

- We are recording the session so we can provide it to you all for review.

OLIVER WYMAN | MONTOUX | aws

Speakers

Geoff Keast
Montoux, CEO

Vince Bodnar
Oliver Wyman, Partner

Ralph Severini
AWS, Global Lead for
Insurance Partners

OLIVER WYMAN | MONTOUX | aws

Agenda

- In-force management - challenges in Long Term Care

- How 3rd party data is helping drive new insights

- How to make the vision a reality - the critical steps and perils to avoid

- Case study

- Survey results

- Q&A

OLIVER WYMAN | MONTOUX | aws

LTC in-force management data evolution

Administer policies

Carriers struggle to extract data for:

- Experience monitoring and projection assumption development
- Overcome gaps in how data was coded vs interpreted and used
- Data warehouse projects consumed enormous budgets, long time-lines and valuable resources

Carriers struggle to modify administrative systems to accommodate:

- Premium rate increases, landing spots, non-forfeiture benefits and other benefit reduction offers
- Administrative system enhancements and work-arounds were required to implement corrective actions

OLIVER WYMAN | MONTOUX | aws

What is happening in LTC in-force management?
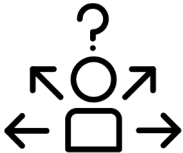
Predictive analytics

Can we better understand the drivers of claims and better predict them?

Obtaining important data

Expand information collected during encounters with policyholders

Third party consumer and social data

OLIVER WYMAN | MONTOUX | aws

What is next?

Behavior analytics

Engagement

Intervention analytics

Empower customers

OLIVER WYMAN | MONTOUX | aws

How 3rd party data is helping drive new insights

Data

Analytics
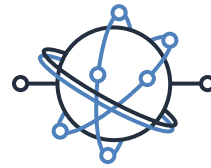
Decisions
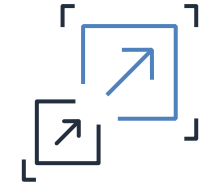
OLIVER WYMAN | MONTOUX | aws

Traditional data infrastructures are holding financial institutions back

On-premises data infrastructures do not scale to meet variable and increasing volumes of data

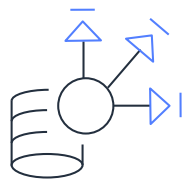Rigid data schemas prevent access to source data and limit the use of advanced analytics and machine learning

Multiple disconnected data silos with inconsistent formats obscure data lineage and prevent a consolidated view of activity

The high costs of legacy data warehouses limit access to historical data

Data lakes are the future of data management

Centralized repository that allows structured and unstructured data to be stored at any scale

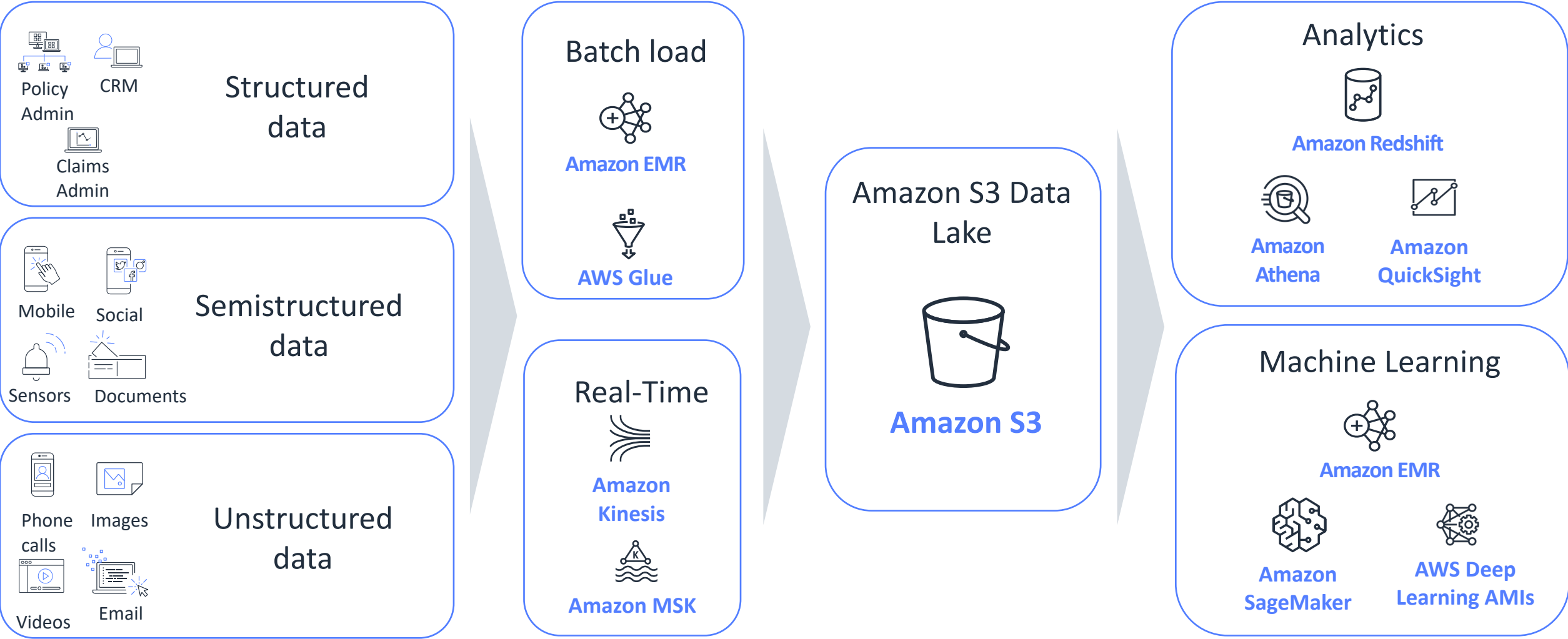Used for all use cases including machine learning, real-time streaming analytics, data discovery, and business intelligence

Data is stored as-is, without having to first structure the data

Access to historical data within seconds without the cost of managing infrastructure

OLIVER WYMAN | MONTOUX | aws

Data lakes built on Amazon S3 provide the foundation for innovation and analytics

Structured data
- Policy Admin
- CRM
- Claims Admin

Semistructured data
- Mobile
- Social
- Sensors
- Documents

Unstructured data
- Phone calls
- Images
- Videos
- Email

Batch load
Amazon EMR

AWS Glue

Real-Time
Amazon Kinesis

Amazon MSK

Amazon S3 Data Lake
Amazon S3

Analytics
Amazon Redshift

Amazon Athena

Amazon QuickSight

Machine Learning
Amazon EMR

Amazon SageMaker

AWS Deep Learning AMIs

Getting started and possible quick wins

Organize, automate, and analyze

Use Machine Learning and AI

To capture new data about new things (customers, prospects, markets, etc.)

Develop new insights

Complete the application/submission with a dash of straight-thru-processing

Examples

OLIVER WYMAN | MONTOUX | aws

Other thoughts and take-aways

Data management areas to think about

Data cataloging

Metadata discovery

How efficiently are you storing data

Avoid

Boiling the ocean with irrelevant data

Inelastic architecture

Poor governance

Uncertainty -> certainty and AI areas to think about

What matters most (policy attributes)

Length of stay predictions

AI-assisted remote monitoring moving from reactive to proactive

Voice to text chart updates

KYC

OLIVER WYMAN | MONTOUX | aws

Case study

Aim: Significantly reduce LTC reserves while meeting company profitability guidelines and state regulations

Unique and valuable insights in customer uptake behavior

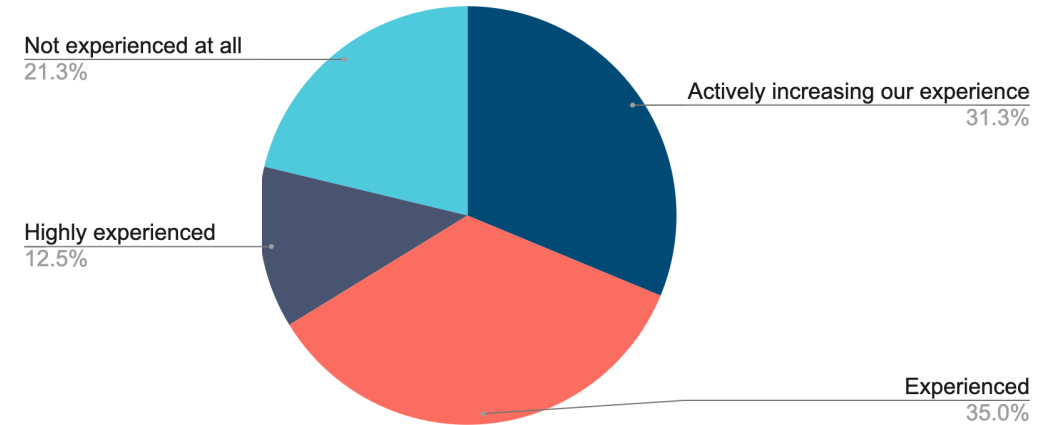How to monitor campaign success and refine the next campaign

Practical examples of realistic benefit reduction campaigns that drastically reduce LTC reserves

OLIVER WYMAN | MONTOUX | aws

Survey results

Has Covid-19 accelerated any investments you were making in in-force management programmes?

Decreased
2.5%

Increased
17.5%

Stayed the same
80.0%
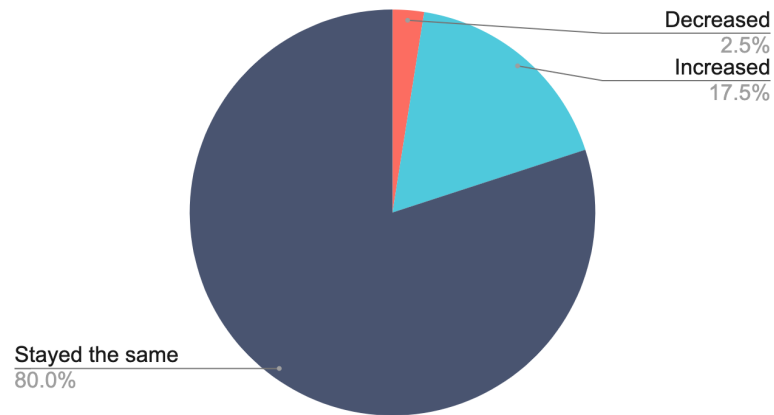
How experienced would you consider your company's use of 3rd party data and analytics?

Not experienced at all
21.3%

Actively increasing our experience
31.3%

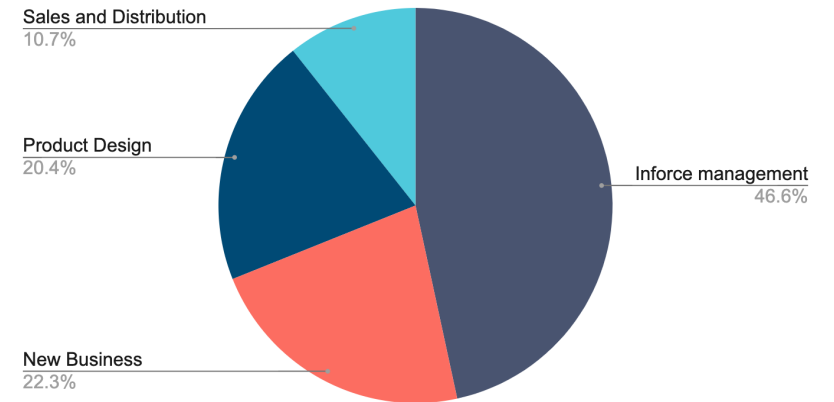Highly experienced
12.5%

Experienced
35.0%

OLIVER WYMAN | MONTOUX | aws

Survey results

To what extent do you believe 3rd party data could unlock additional value for your company?

Strongly disagree
1.3%

Strongly agree
27.8%

Agree
45.6%

Neither agree nor disagree
25.3%
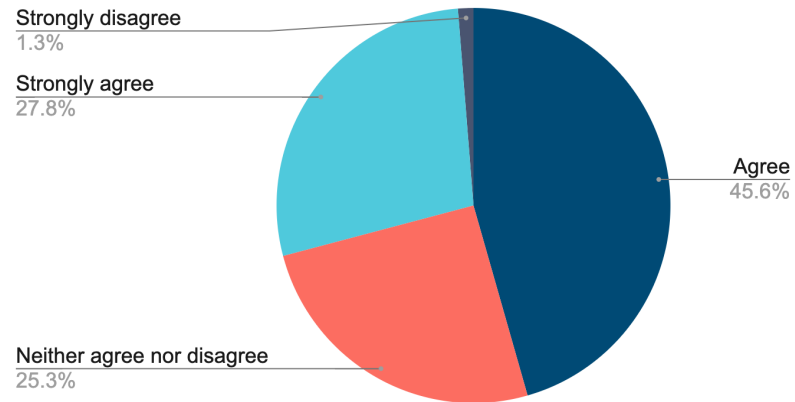
What area is of greatest focus for the coming 12 months.

Sales and Distribution
10.7%

Product Design
20.4%

Inforce management
46.6%

New Business
22.3%

Q&A

OLIVER WYMAN | MONTOUX | aws

OLIVER WYMAN | MONTOUX | aws

Have collaborated to bring you

DATA, ANALYTICS AND DECISIONS - HOW MODERN INSURERS ARE IMPROVING IN-FORCE VALUE IN LONG-TERM CARE