



## Advances in Automated Underwriting

*Legal and General and RGA lead with Productive Partnership*

The relationship started in 2001 as an unlikely convergence between two expert organizations. The insurer, Legal and General, was one of the top protection providers in the UK, with the largest underwriting department in all of Europe. The software company, Reinsurance Group of America (RGA), had a newly-minted underwriting system that could drastically cut underwriting time by automating many underwriting decisions. Both organizations were stacked with underwriting expertise. But Legal and General didn't necessarily need an expert underwriting system. They just needed a system that would help them automate their own expert underwriting.



RGA's system (dubbed AURA — Automated Underwriting and Risk Analysis) had been used effectively by RGA throughout its U.S. and U.K. operations. Users were finding the system had value due to its core rules sets and its flexibility. The base rule sets were an excellent foundation from which to start. But the system made it easy to customize the rules sets based on an insurer's underwriting philosophy. This flexible concept was a fit with Legal and General, who anticipated that they would at some point become self-sufficient on the system. After a careful review, Legal and General selected AURA as its system of choice.

### Up and Running

AURA's Front Office portion went live at Legal and General in 2003 with a simple rules set — an “off the shelf” version with some L&G modifications. RGA's UK Account manager designed the first draft of the rules for a UK-based philosophy. The actual question types and structure were designed by RGA, working closely with L&G Underwriting and Claims teams. L&G designed the front end and it worked well. They were able to launch products quickly and efficiently, underwriting Life/CIC/TPD/MPI products — all by using AURA.

L&G's goal of self-sufficiency was realized almost immediately. RGA was consulted from time to time on direction and technology issues, but for the most part, L&G

handled rules development and even management information reporting. Since then the rules are being continually revamped, tweaked and enhanced to maintain market position, make the customer journey pleasant, and also to keep in tune with the latest underwriting evidence requirements and philosophy.

### The Beginning of the Back Office

In the latter part of 2003 and the beginning of 2004, an interactive rules set was developed and reflexive rules became available. Though for the most part, this functionality wasn't used until 2006, the ideas and development would pave the way for dynamic underwriting, where AURA would begin using reflexive rules right in the agent's office during the application process. At the same time, AURA's back office structure was becoming more fully developed, with seeds being sown for a fully-functional Underwriting Workbench.

### Lessons Learned by L and G

**"Good rules design often means a complete redesign."**

**"The time spent in testing pays off in accumulated experience."**

**"Pioneering with a system or a process made us leaders."**

**"The right question techniques can dramatically reduce non-disclosure."**

**"The Underwriting Workbench definitely helps streamline our business. It has been designed to get the right case to the right underwriter at the right time. I am very impressed and excited with the results of all our hard work in designing workbench in partnership with RGA."**

*– Russ Whitworth, Underwriting and Claims Director*

L&G was a key design partner with RGA in building the functions and flexibility of the Underwriting Workbench. RGA relied on L&G as consultants regarding underwriting pain points and administrative bottlenecks. L&G involved a project manager and many team members in the testing of AURA's Underwriting Workbench and all of its integration points. The result has been a set of tools that incorporates all of the important underwriting process improvements and still maintains flexibility for management administration. Administrative tasks can be removed from

underwriters, freeing them up to focus on underwriting. AURA's Underwriting Workbench is now the most functional and intuitive workbench available in the industry.

Though advances in technology and processes may mean that the system will never stop improving, the work done by RGA and L&G over the past several years will certainly be remembered as one of the key periods in the development of automated underwriting.

## The Underwriting Workbench

**Legal and General was instrumental in the development of the AURA Underwriting Workbench. Now every tool an underwriter needs is at their finger tips. The workbench combines work allocation with risk assessment and quality controls, improves inefficient processes and maintains a controlled and 'simple' environment for the underwriter to focus on the job at hand - being a competent Risk Assessor.**