HR | REFLEX + LABPIQTURE: AN INTERVIEW WITH KEVIN OLDANI AND HEATHER HASLAM

After hearing some interesting comments about the new team-up of ExamOne's LabPiQture and Hannover Re's hr | ReFlex, I decided to get the straight scoop.

This is my interview with an old friend, Kevin Oldani (Sr. VP and Chief Underwriter, Hannover Re), and a new acquaintance, Heather Haslam (Senior Underwriting Specialist, ExamOne).

Can you give some background on this new resource and what led to its development?

[Kevin]: LabPiQture has a diverse and robust collection of laboratory data; however, it can sometimes be tedious for underwriters using the results manually, and can be a challenge to automate due to the large number of lab test results that may be present in the applicant's history. These lab tests are each identified with a specific code called a "LOINC" (Logical Observation Identifiers Names and Codes). Many medical conditions can have multiple LOINC tests with different scales, units of measure and measure value ranges, and there are often formatting inconsistencies within the lab test data.

As a solution, our team at Hannover Re collaborated with ExamOne to develop rules for over 2,300 LOINCs, including complex combination and hierarchy rules covering 90%+ of the prevalence of conditions returned via LabPiQture/LOINCs. The rule sets were developed by Hannover Re's medical underwriting team based on relevant mortality and life insurance experience, as well as hr | Ascent, Hannover Re's underwriting manual.

When will this joint solution be available, and what results can life insurers expect to see?

[Heather]: The solution is currently available to LabPiQture clients using hr | ReFlex, and later this year, it will be available to all LabPiQture clients through their existing connection to LabPiQture data. With this joint solution, life insurers can expect to increase accelerated underwriting decisions based on LabPiQture data from 20% using ExamOne's 0-5-10 scores to 75%-80% using the hr | ReFlex rule sets for LabPiQture.

What is the output of hr | ReFlex?

[Kevin]: It is important to note that the output is a recommended underwriting decision rather than a score. Each lab test that has an associated hr | ReFlex rule set is evaluated based on the results and will contain an underwriting recommendation for that test.

In addition, hr | ReFlex will aggregate the results of these individual tests into an overall underwriting recommendation for the applicant based upon the lab test results. The recommendations, depending on the tests in the file, could include approval with an underwriting class, table ratings and nicotine status, as well as recommendations to decline or refer the case to an underwriter.

Any lab tests that do not have an associated hr | ReFlex rule set will be shown in a separate

section of the report with the test name, description, test date and the ExamOne score, if available. With this mortality rule-based solution, life insurers will have the tools needed to automate more of their decisions based on LabPiQture data. The underwriting recommendations will be available in the LabPiQture PDF, as well as in digital format.

What are some of the key differences between the current LabPiQture score and the joint solution developed by Hannover Re?

[Heather]: There are two dominant approaches to scoring/evaluating complex datasets. The traditional and most familiar strategy for underwriters is what we generally describe as rules-based evaluation. In this approach, a human expert – usually an underwriter or MD – writes explicit rules based on customary practices, the clinical literature and/or the author's professional judgement. These rules can be extremely simple (if A1c<8.0, accept, else decline) or complex (decline if A1c>9.0, OR serum glucose>150, OR A1c>6.5 AND diagnosed kidney disease, OR Rx for insulin).

The major alternative to rules-based evaluation is predictive modeling, or machine learning, where statistical models of future outcomes are derived from analyses of large historical databases of potential predictors (i.e., the underlying data) matched to actual outcomes. ExamOne offers scores based on both approaches, but it is fair to say that most of our effort historically has been devoted to predictive modeling.

Hannover Re's new rules-based assessment is more detailed and complex than any rule set which ExamOne has developed internally, with more fine gradations in assessing individual results, and more rules evaluating interactions

among multiple tests. As a result, the rule sets developed by Hannover Re provide a finer cut of underwriting assessment which results in fewer cases being referred to manual underwriting.

Because Hannover Re rules are derived from expert judgement rather than historical experience, they can address tests that an underwriter may not be familiar with. Additionally, Hannover Re rules may more closely mirror traditional underwriting expectations and practices.

What are the technical requirements needed to access the joint solution, and can clients customize the joint solution?

[Kevin]: The solution is currently available to all hr | ReFlex clients that use LabPiQture. Once the joint product is completed later this year, it will be available through carriers' existing connection to ExamOne; no new technical integration is needed. LabPiQture customers can work with their ExamOne representative to include the Hannover Re hr | ReFlex LOINC assessment in their LabPiQture service.
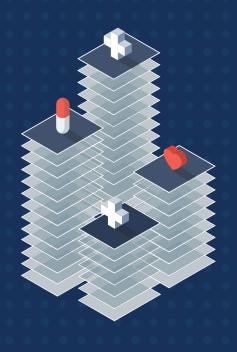
Shortly after the joint product is live in the marketplace, clients can begin to work with Hannover Re to customize key rule sets for a fee.

Is there anything else either of you would like to add for the benefit of Hot Notes' readers?

[Heather]: ExamOne's historical core competency has been in predictive modeling. Predictive modeling tends to be data-intensive, while rule-set evaluation draws heavily on human labor and expertise. With Hannover Re's large contingent of experienced underwriters, they have a unique ability to individually compose the literally thousands of rules needed to take full advantage of LabPiQture data.

Real data.
Real users.
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Given its established reputation as a reinsurer, carrier underwriters can have confidence in the recommendations generated by the hr | ReFlex rule sets. ExamOne and Hannover Re's respective areas of expertise are naturally complementary and greatly enhance users' ability to automatically interpret the wide variety of results available in LabPiQture.

[Kevin]: The joint solution promises to enhance automated underwriting capabilities, enabling life insurers to make more offers to applicants without any manual or in-person processes. With results standardized in a digital format, any manual review of LabPiQture data is easier, more efficient, and reduces cost and turnaround time. Additionally, the solution provides intelligent and objective signals for underwriters for more complex cases when manual review is necessary.

Thank you, Kevin and Heather, for your comprehensive review of this new resource.

Personally, it's a no brainer: rules-based over predictive modeling. Much easier to understand and explain to interested parties.

Either way, this looks to be a powerful asset in the underwriting armamentarium.

Kevin Oldani, Senior VP and Chief Underwriter, Hannover Re

Heather Haslam, Senior Underwriting Specialist, ExamOne

Kevin Oldani has over 39 years' experience in life insurance underwriting and underwriting management. He has been a manager of both reinsurance and direct company underwriting departments, and has established underwriting and workflow practices for specialty markets that include COLI/BOLI, bank distribution, simplified issue markets, accelerated underwriting programs and others. He is responsible for Automation, Analytics and Underwriting. He is past president of SEHOUA, COLI Directors, IRUA and VP program for the AHOU.

Heather Haslam has 20 years' experience in the life and health insurance underwriting industry. She has mostly worked in the direct insurance market with a brief stint at a small reinsurer in London, England in early 2008. Heather joined ExamOne in January 2021. She provides underwriting insight to the data analytics team with regards to their data products (including LabPiQture). Heather has 2 young children and enjoys travel, being outdoors and a good, sappy movie.