



## VitalityLife (formerly PruProtect) gains early foothold and profits through fast applications and 'invisible' underwriting

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Andrew Smith  
Automated Underwriting Manager  
VitalityLife

### The Company

VitalityLife ([www.vitalitylife.co.uk](http://www.vitalitylife.co.uk)) is a U.K. life and health insurer founded in 2007. It has already achieved 12 percent market share and fourth largest sales among adviser-based insurance products. It is now fully owned by Discovery, an innovative South African insurer.

Its primary products are life, whole of life, serious illness, income protection, family income benefit, disability, and premium waivers. Sales and service arms include VitalityLife staff, more than 9,000 independent financial advisers (IFAs), company partnerships and selected banks. All connect remotely for quotes and policy requests. A new iPad app facilitates service and sales. Advisers employ VitalityLife's professionally designed email templates for customer marketing and contact.

Other marketing strategies include allying highly popular sports personalities as Vitality Ambassadors to promote healthy lifestyles. Vitality is the world's largest incentive-based wellness programme, used by more than five million people and acknowledged as a global health incentiviser. June 2013 saw a cycling competition amongst VitalityLife advisers.

### Business Challenges

From VitalityLife's earliest days, automating applications, data gathering and underwriting was a baseline requirement. No other method would enable fast impingement into the U.K.'s competitive insurance marketplace.

VitalityLife's Automated Underwriting Manager Andrew Smith says, "Automation was a 'must have' due to its prevalence in this market. It was inconceivable a new entrant would employ slow, mail- and email-based back-and-forth underwriting. We discarded the idea of programming our own rules engine, then evaluated the market for available software. We knew that only a purpose-built system should handle our new business."

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## The Solution

"Munich Re's ALLFINANZ automated underwriting solution undoubtedly has the superior user interface for designing, publishing, updating and creating applications and underwriting rules."

"Its capability for business users to control rule changes and perform their own analysis without outside assistance is highly attractive. We rejected other solutions that would have increased IT's interdepartmental traffic for such requests. That wouldn't work in this fast-paced environment.

"We acquired and installed—with the practiced help of Munich Re staff—the ALLFINANZ Interview Server, ALLFINANZ Rules Designer, and ALLFINANZ Business Analytics." Implementation required a satisfactory six months.

## Benefits in hand

Given ValidityLife's advantageous products, its effective marketing and sales campaigns, and Munich Re's electronic application and automated underwriting, it's difficult to accurately parcel out credit for ValidityLife having rapidly captured 12 percent of IFA market share.

"It's well known," says Smith, "that the industry sometimes perceives underwriting as a hindrance to sales. Yet underwriting is a requisite foundation of sound insurance practice. So our job is to keep the disciplines of underwriting completely intact yet make them as invisible as possible to the customer.

"To that end, Munich Re's ALLFINANZ software has facilitated smoother underwriting, which improved overall service, which absolutely sped growth several ways."

Smith enumerates the many cause-and-effect benefits ValidityLife has earned from using ALLFINANZ:

"Smart interview questions and rules send fewer referrals up to human underwriting. That pushed straight-through processing to more than 60 percent and growing. So underwriting costs have dropped as a percentage of new business.

"Binding a new customer in minutes or hours—versus weeks by old means—improves word-of-mouth advertising and reduces dropouts during application.



"We were pleased to notice our medical evidence costs have dropped. Fewer tele-interviews are required because the ALLFINANZ Interview Server covers the necessary points with interactive questions."

"Our underwriting has become more consistent because we ask the same questions and get the same decisions for high-frequency disclosures. Together, these factors combine to help us deliver excellent value to families at competitive prices.

Smith concludes, "As we more fully exploit ALLFINANZ Business Analytics software this year, we'll gain even more insight. We can fine-tune certain areas for faster service, improved risk management and better impingement into various market niches."

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"Another direct saving is that we kept pace with our growing sales volume without hiring substantially more underwriters. Additionally, underwriters are bright people who prefer focusing on complex cases over the repetitive questions that we can demote to automation. Now junior underwriters learn faster because they see complex cases earlier."



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## About Munich Re Automation Solutions Ltd

Munich Re Automation Solutions Ltd, a Munich Re subsidiary, is the leading software provider of new business underwriting solutions for the life insurance industry. For the past 26 years, we have transformed how life insurers are selling life insurance with next generation technology that gives our clients the power to grow their business profitably. ALLFINANZ is a suite of new business underwriting applications that make life insurance easy to sell and help insurers transform underwriting into a profit driver. Headquartered in Ireland, we have offices in Japan, Singapore, Australia and the U.S. Our client base proudly include world leading insurance companies including Pacific Life, Guardian, Zurich, Aegon, HSBC, Aviva, Sony Life, Metropolitan Life, Bank of China and Comminsure.

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## About Munich Re

Munich Re stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. This is how Munich Re creates value for clients, shareholders and staff. In the financial year 2013, the Group – which combines primary insurance and reinsurance under one roof – achieved a profit of €3.3bn on premium income of over €51bn. It operates in all lines of insurance, with almost 45,000 employees throughout the world. With premium income of around €28bn from reinsurance alone, it is one of the world's leading reinsurers. Especially when clients require solutions for complex risks, Munich Re is a much sought-after risk carrier. Its primary insurance operations are concentrated mainly in the ERGO Insurance Group, one of the major insurance groups in Germany and Europe. ERGO is represented in over 30 countries worldwide and offers a comprehensive range of insurances, provision products and services. In 2013, ERGO posted premium income of €18bn. In international healthcare business, Munich Re pools its insurance and reinsurance operations, as well as related services, under the Munich Health brand. Munich Re's global investments amounting to €209bn are managed by MEAG, which also makes its competence available to private and institutional investors outside the Group.

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