

A grayscale photograph of a hand holding a bright yellow circle. The hand is positioned with the palm facing up, and the fingers are slightly curled. The yellow circle is partially overlapping the hand and the background. The background is a soft, out-of-focus light gray.

Life Insurance

**ACCELERATED  
UNDERWRITING**

Answers for Advisers

***ACCELERATE***

SIMPLICITY + CONTROL



[accelerate.toweraustralia.com.au](https://accelerate.toweraustralia.com.au)



## The Accelerated Underwriting approach

The philosophy that underpins our approach is simple – Accelerated Underwriting minimises the need for medical evidence by relying wherever possible on the customer's personal disclosures to make a decision. This makes the underwriting process faster and hassle free for you and your customers.

There are no mandatory Personal Medical Attendant Reports (PMARs) which means we're underwriting life insurance in an efficient, cost effective manner by basing underwriting decisions on the customer's disclosures rather than relying on medical reports to provide an outcome.

It also means we're providing your customer with the best possible purchase experience by minimising the need for medical evidence which saves them time and unnecessary hassle.

## Benefits of Accelerated Underwriting

- Aims to provide 85% of underwriting decisions in three working days – faster underwriting decisions mean you spend less time on following up business and more time on sourcing and servicing customers
- There are no mandatory PMARs for Accelerate customers which minimises the long and difficult process of trying to obtain details of a customer's medical history
- Accelerate online has the ability to provide an automatic underwriting decision in some cases which means instant cover for your customers
- Accelerate online only asks customers to answer relevant, specific questions to the cover they're applying for which saves their valuable time and makes the application process faster and easier
- Accelerated underwriting uses tele-underwriting not tele-interviewing which means our underwriters are both skilled and empowered to make decisions quickly, which speeds up the application process.

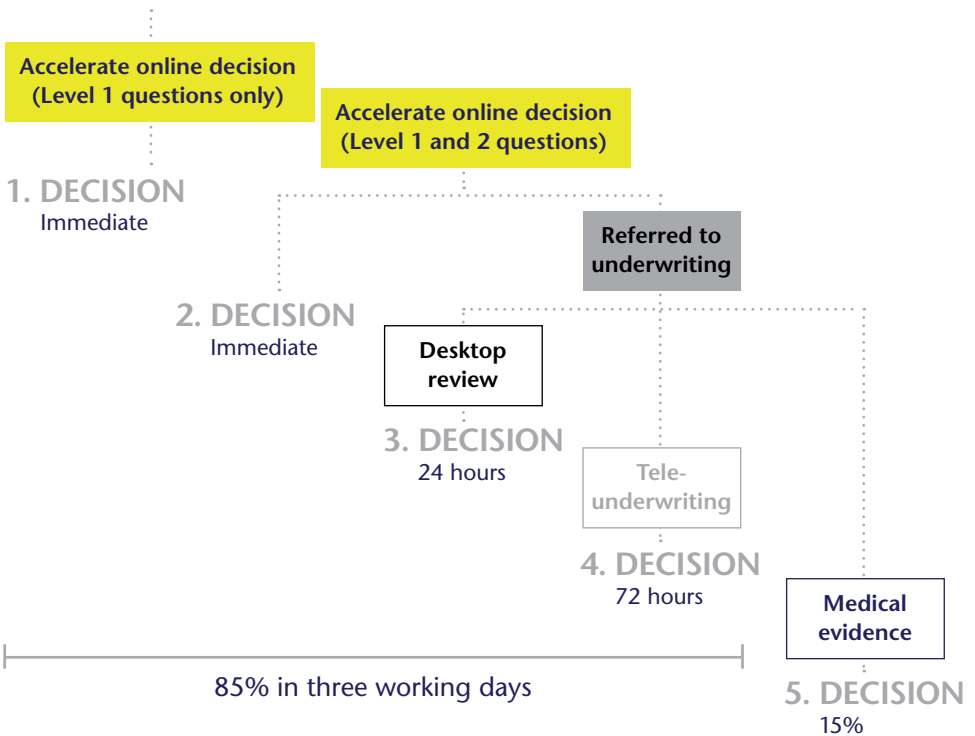
To learn more about the benefits of Accelerated Underwriting, please read through the following pages.



# How Accelerated Underwriting works

Much more than just a technology solution, Accelerated Underwriting combines a unique philosophy with leading underwriting tools to deliver 85% of underwriting decisions within three working days, as shown in the diagram below:

## 25–45 year olds



# Why Accelerated Underwriting is different

As illustrated in the diagram on the left, Accelerated Underwriting decisions can be made at a number of stages in the process, and a variety of underwriting tools are used to provide an outcome depending on the nature of disclosures received.

Instead of using a technology solution in isolation to provide a fast underwriting decision for a small number of cases, or relying heavily on exclusions to provide restricted cover that no customer wants and no adviser wants to

recommend, Accelerated underwriting relies on a combination of tools to deliver 85% of underwriting decisions within three working days for 25 to 45 year olds.

With Accelerated Underwriting, we've developed five stages where an underwriting decision can be made, and at four of those stages a decision can be made without requiring medical evidence, which makes the underwriting process quick and easy for you and your customers.

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## 1 Accelerate online decision (Level 1 questions only)

A customer answers all Level 1 questions on Accelerate online and receives an automatic underwriting decision.

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## 2 Accelerate online decision (Level 1 and Level 2 questions)

Because of a disclosure to a Level 1 question, a customer may be required to answer Level 2 drill-down questions on Accelerate online at which point they receive an automatic underwriting decision.

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## 3 Desktop review (online disclosures only)

A customer submits a completed Accelerate online application that is referred to underwriting. An underwriter then decides whether they can make an immediate underwriting decision, based on the customer's online disclosures only.

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## 4 Accelerated tele-underwriting

A customer submits a completed Accelerate online application that is referred to underwriting. An underwriter decides they need additional information from the customer to make a decision and contacts the customer by phone to ask specific, relevant questions to cover the customer is applying for and the previous disclosures they've made online. The underwriter makes an underwriting decision based on the customer's online disclosures plus the information disclosed over the phone.

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## 5 Medical evidence

Only as a last resort, where an underwriting decision cannot be made based on disclosures received electronically or over the phone, will an underwriter request medical evidence. The underwriter will request medical evidence for the remaining balance of the cases based on the disclosures received either electronically, or over the phone. Experience in other markets proves that the requirement for medical evidence can be reduced to less than 15% of cases by adopting an underwriting philosophy and process consistent with Accelerate.

We've provided more details around each of the Accelerated Underwriting tools on the following pages.

# Accelerated Underwriting tools

## Accelerate online

Accelerate online works by assessing customer answers input online using the underwriting rules built into our application engine. This means we have the ability to receive and assess your customer's application instantly.

An automatic assessment may be:

- acceptance at standard rates
- acceptance with an exclusion, or
- acceptance with a loading.

When a case is accepted automatically, the result is referred to as a straight through process (STP).

If further information is required to complete the case, the application will be referred to an underwriter. In this case an underwriter may still decide that a reasonable and accurate decision can be made based on the Accelerate online customer disclosure information only. In this instance, a decision will be made and no medical evidence will be required. This may occur for any benefit level up to the automatic medical limits.

## No automatic PMARs

Over reliance on Personal Medical Attendant Reports (PMARs) to provide a final underwriting decision is a problem often encountered in the life insurance industry.

A 2003 study undertaken by a global reinsurance company in the United Kingdom found that more than 70% of initial underwriting decisions remained unchanged after collecting further medical information. In other words, PMARs were a waste of both time and cost in almost three quarters of the cases reviewed.

Our experience suggests the same may be the case here in Australia, where between 50% and 60% of all traditional life insurance applications involve the collection of medical information. If the same ratios apply as in the UK, approximately seven out of ten PMAR requests impose unnecessary work, time delay and hassle on you and your customer, because PMARs weren't necessary in the first place.

No wonder life insurance has become too hard for many advisers to sell.

With Accelerate there are no mandatory PMARs for customers, saving both you and your customer time and hassle.

## Level 1 and Level 2 questions

Straight through processing (STP) occurs when a customer receives an automatic acceptance decision based on their answers input via Accelerate online. We expect around 35% of underwriting decisions to happen at this stage.

To complete an application, Level 1 questions must be answered in all instances. Level 1 questions are similar to those questions usually included on a personal statement, however Accelerate online only asks your customer to answer questions relevant to the cover they are applying for which makes the application process even faster.

Once all Level 1 questions are completed on Accelerate online, a customer may be automatically accepted.

If all Level 1 questions have been answered but further information about the customer is required, the customer will be asked to answer additional questions that delve deeper into their history. These questions are referred to as Level 2 questions.

Any Level 2 non medical questions must be answered online, however Level 2 medical questions can be answered one of two ways:

- you can refer the case to an Accelerate tele-underwriter who will contact your customer direct to ask them the additional questions, or
- you can continue to answer the remaining Level 2 questions online which may result in acceptance at standard rates, acceptance on alternate terms or referral for further underwriting.

Either way, the choice is yours. Accelerate allows you to decide how you do business.

### **Referred to Underwriting**

As previously mentioned, if your customer doesn't receive an automatic underwriting outcome, the case may be referred to Accelerate Underwriting. In some cases, a qualified underwriter may be able to make a decision about the referred case simply by examining the customer's previous disclosures via Accelerate online.

This 'desktop' underwriting will happen within 24 hours of your customer's application having been submitted and we expect 15% of all underwriting decisions will happen at this stage.

However, if we need additional information from your customer, they will be contacted by an underwriter, using a process called tele-underwriting.

### **Tele-underwriting**

Tele-underwriting sees qualified and experienced underwriters contact customers by telephone to ask specific, relevant additional questions about the cover the customer is applying for and any disclosures previously made.



Our tele-underwriters use carefully refined scripts that have been used in international markets for the past three years. This way we avoid asking your customer any unnecessary or irrelevant questions.

Typically, Accelerate tele-underwriting calls last no more than 10 minutes and result in an underwriting decision in around 80% of calls, or for some 35% of applications overall.

This approach is very different to 'tele-interviewing', where trained nurses or administrative staff often collect as much information as possible from a customer before passing the case on to an underwriter who – more times than not – then requests medical evidence before making a decision. 'Tele-interviews' usually result in a worse experience for the customer and the adviser, and a more expensive process for the insurer.

# Contact us

For more information on Accelerate and how it can help you and your business, contact your Accelerate Sales Manager or the Accelerate Resource Team on **1800 100 678**

and

# ACCELERATE

your business today.



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