#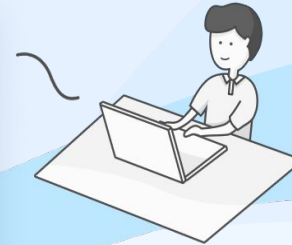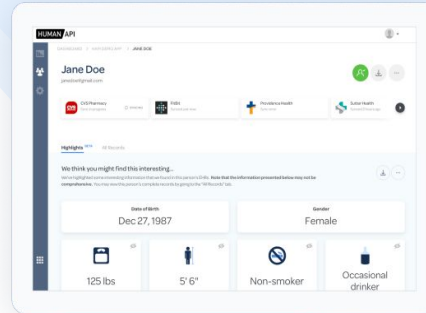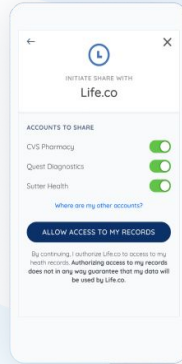 Fortune 500 Carrier Transforms Insurance Buying Journey with Human API, Leading to Higher Placements and Millions in Additional Premiums

Case Study

Executive Summary

As part of a Fortune 500 carrier's digital transformation initiative, electronic health records (EHR) data from Human API is being used to accelerate underwriting, create better consumer experiences, and improve placement rates. The pandemic has ushered in a new urgency for transformation, and EHR data is driving digital innovation across the enterprise - optimizing insurance distribution and setting a foundation for scaling automated decisioning.

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Delivering a digitally–enabled consumer experience that drives faster underwriting and more revenue

Challenge

Prior to COVID-19, this Fortune 500 Carrier was relying on APS retrieval and manual underwriting workflows that resulted in long cycle times and high drop off rates. The onset of the pandemic caused traditional requirements such as paramedical exams and labs to be disrupted or significantly delayed, just as consumer demand for coverage was increasing. This shift caused the carrier to expand the use of EHR data across all cases to offer an expedited and digital experience for consumers.

Solution

The carrier expanded Human API EHR data rollout on all traditional and accelerated underwriting cases to simplify the medical evidence retrieval process and deliver a digital consumer buying experience that resulted in faster underwriting and more revenue.

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By using EHR data from Human API, a Fortune 500 Carrier was able to shorten the buying cycle and deliver better consumer experiences, **resulting in a 15% improved placement rate in May of 2020**. This type of sustained improvement could lead to **millions of dollars of net new annual premiums.**

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Transforming Life Insurance Underwriting with EHR Data

In recent years, insurers have been exploring digital transformation across the enterprise in a pursuit to automate and streamline manual underwriting processes and create better customer experiences. The pandemic ignited a new level of urgency for underwriting innovation as traditional requirements such as paramedical exams, labs, and APS retrieval were disrupted and significantly delayed. This sudden and unexpected shift has turned digital experiences from nice-to-haves on a long innovation roadmap into table stakes.

Human API, a digital health data platform, is helping a Fortune 500 carrier evolve a time-intensive and invasive underwriting process into the digitally-enabled experience consumers expect. The process is similar to the digital interactions that customers are already experiencing in other aspects of their lives such as transportation, banking, and retail. Health data from Human API's platform is helping to power new underwriting processes and innovation across the insurance industry.

In this case study, we explore how this carrier was able to use data from Human API to improve policy placement rates, realize new revenues, create better customer experiences, and set the foundation for digital transformation across the business.

New Partnerships are Key Drivers to Accelerating Innovation and Digital Transformation

This Fortune 500 carrier first launched its pilot partnership with Human API in 2019 with the intent to create a faster underwriting experience for agents and a better buying experience for consumers. The Human API platform allowed the carrier to digitally secure electronic health records (EHRs) to underwrite policies instead of waiting weeks for traditional medical records to be collected. During the onset of the pandemic, major disruptions to the collection of traditional medical evidence requirements led the carrier to scale the Human API pilot to encompass all fully underwritten cases in an effort to maintain business continuity.

At first, the workflow involved the carrier manually sending emails to applicants to give them the option to expedite the underwriting process by connecting their EHR data through Human API. In April 2020, this carrier decided to automate all email invitations to increase the rollout of Human API to all fully underwritten business requiring an APS, up to age 60, with a $3 million face amount limit. Scaling and automating the sending of email links resulted in a 40% end-to-end conversion rate:

"We were in a pilot and in the process of expanding when COVID hit. We sent 292 emails in March, and in April we sent almost 5,000. So I like to say we went from zero to 60 real fast. In May, 68% of our clients opened the email and about 60% of those clients connected their records to us. We're very happy with this, and continue to work on getting these numbers up."

VP of Underwriting at Fortune 500 Carrier

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Results: The Business Impact of Reduced Underwriting Time with Human API

One business metric closely monitored by this Fortune 500 Carrier during the expanded pilot was the impact Human API had on policy placement rates. The carrier compared cases that used Human API data to make an underwriting decision against those which required an APS. The carrier was able to conclude that cases which used EHR data from Human API to make an underwriting decision had an overall **15 percentage point increase in policy placement rates versus those which depended on traditional medical records.**

Approximately 70% of cases with Human API data also did not require an APS for a decision. During the initial months of COVID-19 lockdown, when there were significant disruptions in the collection of in-person exams and attending physician statements (APS), the increase in policy placement rates driven by Human API was as high as 24 percentage points. Several factors such as the underwriting rating (price of the policy and risk class) and underwriting time are known to impact placement rates. To conduct this analysis, this Fortune 500 carrier kept all factors such as rating classes consistent, with cycle times being the only variable.

Compared to the traditional APS, EHRs have higher placement rates due to shorter cycle times and a better buying experience and customer journey. On average, it takes 21 days for an APS to be retrieved, while Human API can deliver normalized EHR data within 24 hours after the applicant authorizes the data sharing. Taking into account the ratings of issued policies, and isolating for the reduction in underwriting time that Human API enabled, this carrier included that EHR data resulted in a net 15 percentage point increase in placement rates.

Seeing the ROI in numbers

40%

Human API
Conversion Rate

70%

Human API
Decision Rate

15%

Placement Rate
Increase

$1,300

Average Annual
Premium

$327,600

New Annual Premium
Generated May 2020

$3,931,200

Annualized Net New
Premium

Next Steps: Creating Additional Value Through Automation

Normalized electronic health data is setting the foundation for an insurance future with new underwriting and service paradigms. The increasing impact and reliability of technology and digital health data is helping carriers create more effective ways to scale automated decision making in underwriting and deliver digitally-enabled consumer engagement. As the availability of EHR data continues to increase and new methods to connect EHR data are added to the Human API platform, hit rates are expected to surpass 50%.

Looking beyond the APS replacement use case, EHR data from Human API can be used to streamline the underwriting experience by replacing other invasive requirements such as labs and paramedical examinations. Furthermore, automated underwriting rules can be applied to normalized electronic health record data to help carriers realize additional efficiency and cost savings.

"This is a critical moment for our industry as carriers transform to become more digitally-enabled and data-driven. Using EHR data to streamline underwriting has been the perfect launching point to achieve our goal of scaling digital health data adoption across the enterprise. We look forward to using data from Human API to further automate the underwriting decisioning process and potentially expand the limits of our accelerated underwriting program."

VP of Product Strategy at Fortune 500 Carrier

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Next Steps: Creating Additional Value Through Automation

As the insurance industry continues to evolve toward consumer-centricity and automation through technology, alternative health data sources will take on an increasingly impactful role in transforming underwriting and replacing invasive requirements that no longer meet modern customer needs. Digital health data will unlock a new level of business growth for the carriers that invest in understanding and leveraging this new asset through strategic technology partnerships.
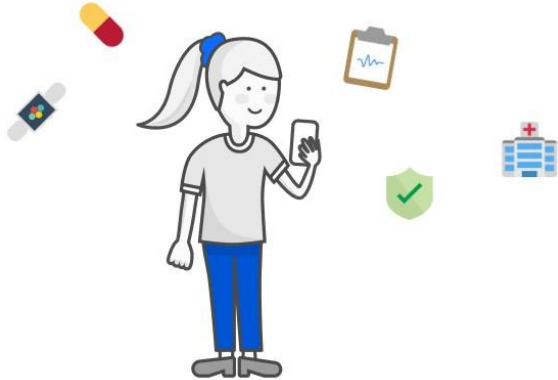

Human API Layer: Parsed, structured data to accelerate underwriting and feed rules engines.

Aggregated medical evidence (APS, EHRs, labs, wearable device data, etc.)

HUMAN API

Thank you!

Do you have any questions?

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