

MIB & Long Term Care

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If you knew that **X%**
of your issued policies had
Serious medical conditions
of which you were unaware...

How would you feel?

Insights on Applicants

- The **single** most **co\$t effective** approach to reducing anti-selection
- MIB **rapidly** delivers targeted **relevant medical data** directly to your underwriters to focus your investigation in **5 ways**

Targets Risk Assessment 5 Ways

D etection	Often sole alert to omission misrepresentation & fraud
D eterrence	Strong sentinel effect
F ocus	Target your underwriting
C onfirmation	Confirm applicant statements
C onfidence	Confidence to accept and insure based on validation

The Underwriting Gold Standard

→ With over a **century of experience in medical information, security and data management**

MIB is a critical initial piece of data for medically underwritten insurance

→ Primary Mission


 Detect and deter fraud

 In a word . . . anti-selection

 World's largest shared industry medical data exchange

The Underwriting Gold Standard

→ Protective Value

 Independent study demonstrates the protective value for the life industry is

\$46 to \$1

 Value to industry is estimated at over a **Billion dollars** annually

How Robust is MIB Data for LTC?


→ Sample LTC carriers using MIB

 Equitable Life & Casualty

 Continental Life

 Transamerica

 Monumental

 Life Investors

 AFLAC

 American Progressive

 American Pioneer

 Constitution Life

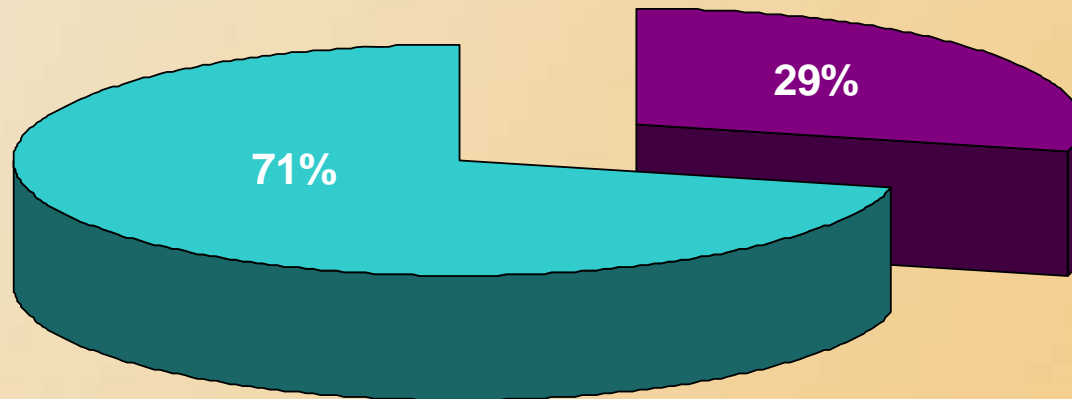
 Country Life

 Kanawha Life

GeneralCologne Re:



2002 Individual LTC Risk Management Survey

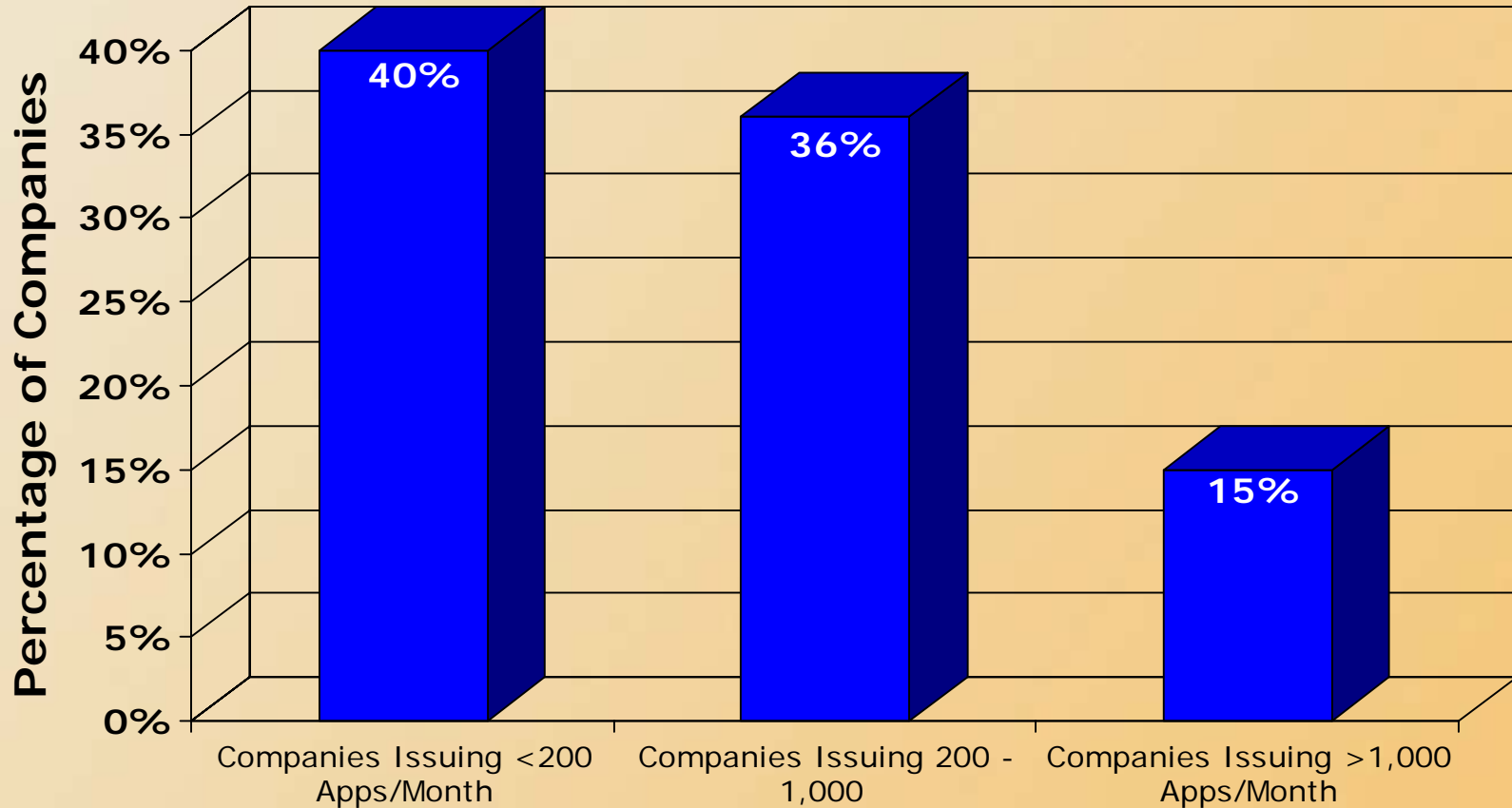


- Use MIB
- Do Not

GeneralCologne Re:



Percent of Companies Utilizing MIB by Company Size



How Robust is MIB Data for LTC?

→ **500+** companies contributing to the database daily

—

5 years' running

→ LTC committee adds codes

 ADL's

 IADL's

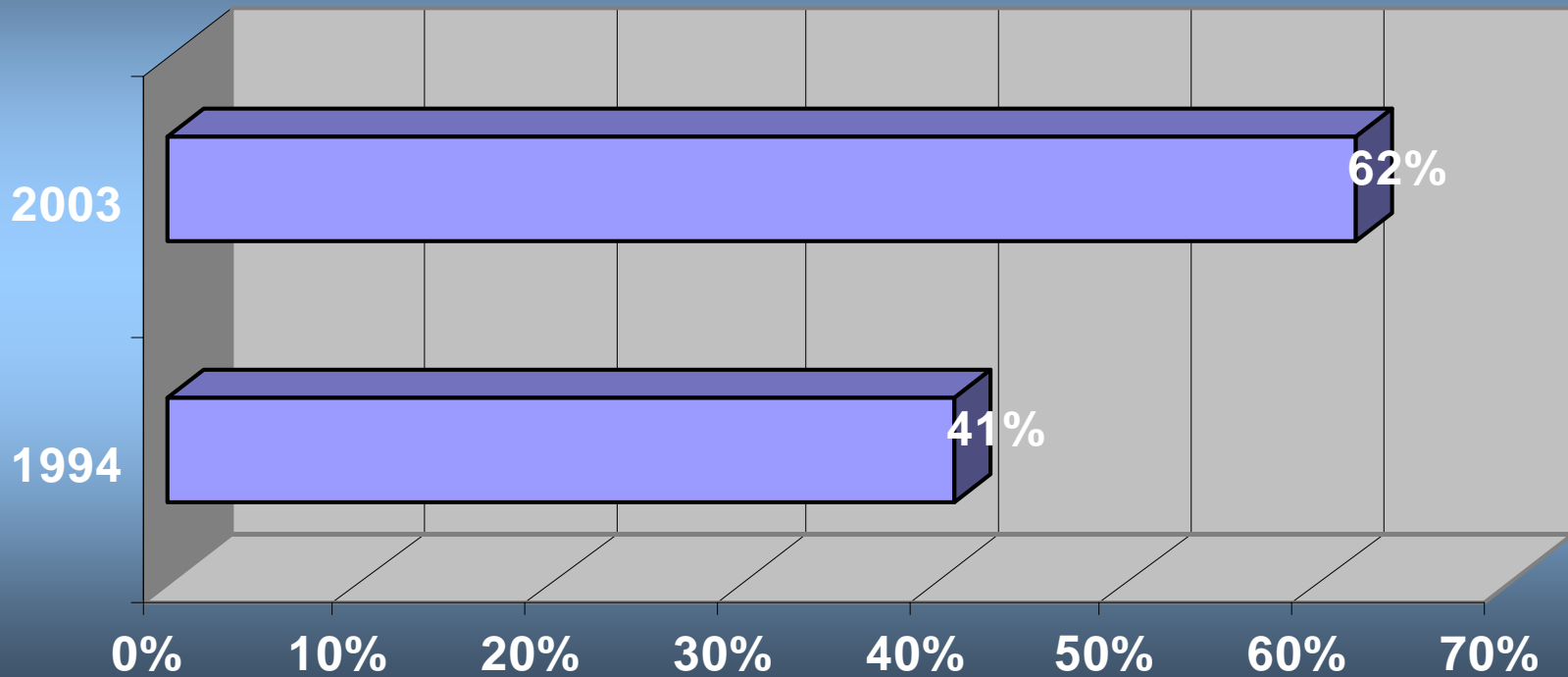
 Support Devices and Services

 Failed Cognitive Test

MIB Database Then and Now ...

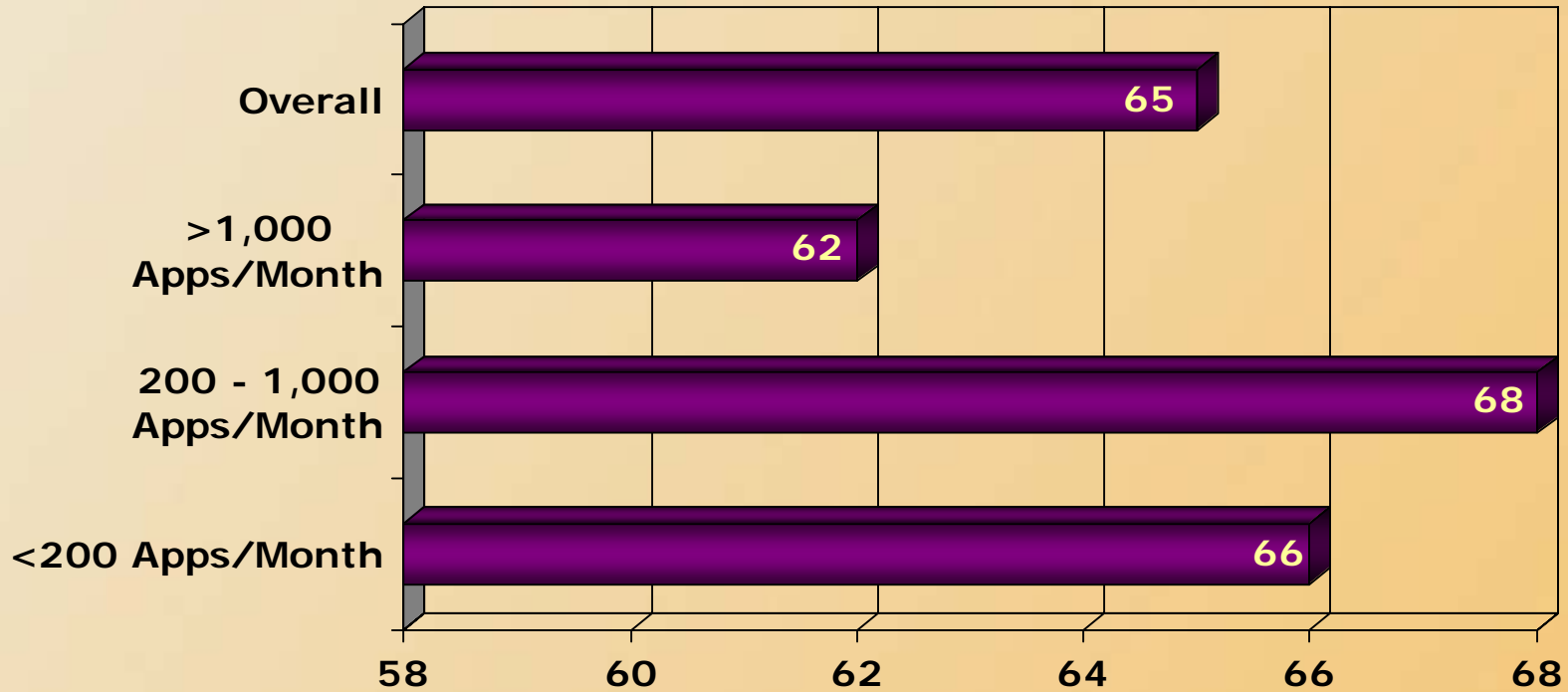
50+ Age Group

Database



GeneralCologne Re:

Average Issue Ages



Relevant MIB Codes for LTC

→ **Serious** medical conditions that if known **would alter** your underwriting decision

- 📄 Dementia including Alzheimer's
- 📄 Schizophrenia and/or Psychotic Disorders
- 📄 Demyelinating Disease not specifically diagnosed as MS

Relevant MIB Codes for LTC

→ **Significant** medical conditions that if known **might** focus your investigation and alter your underwriting decision

- 📄 Ulcerative Colitis
- 📄 Malignant Tumors
- 📄 Liver Disorder other than Hepatitis

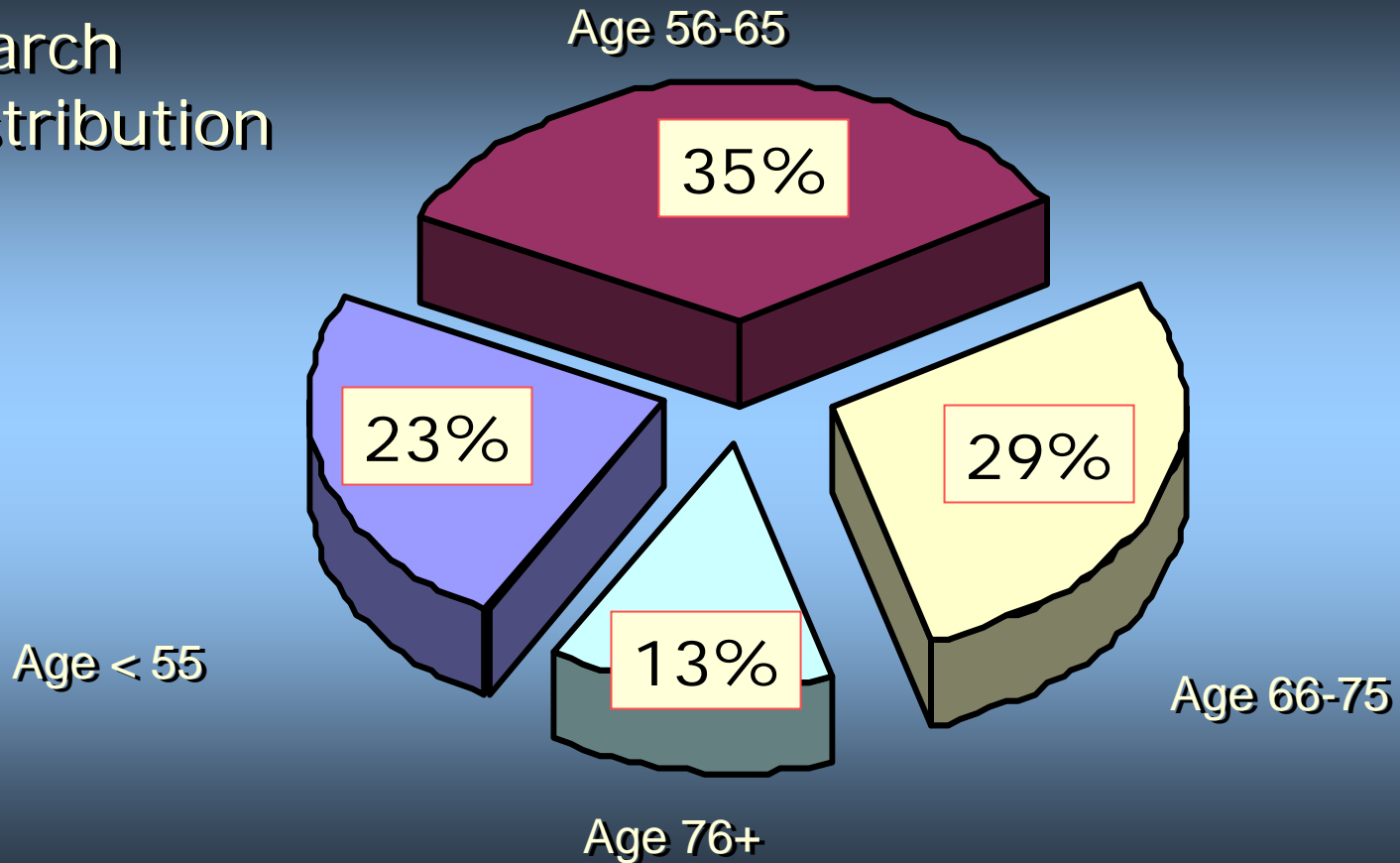
→ **Co-morbidities** increased significance multiple MIB codes

- 📄 Stroke / Smoker
- 📄 Diabetes / Hypertension / Obesity

Composite 2002 Searches

LTC Users

Search
Distribution

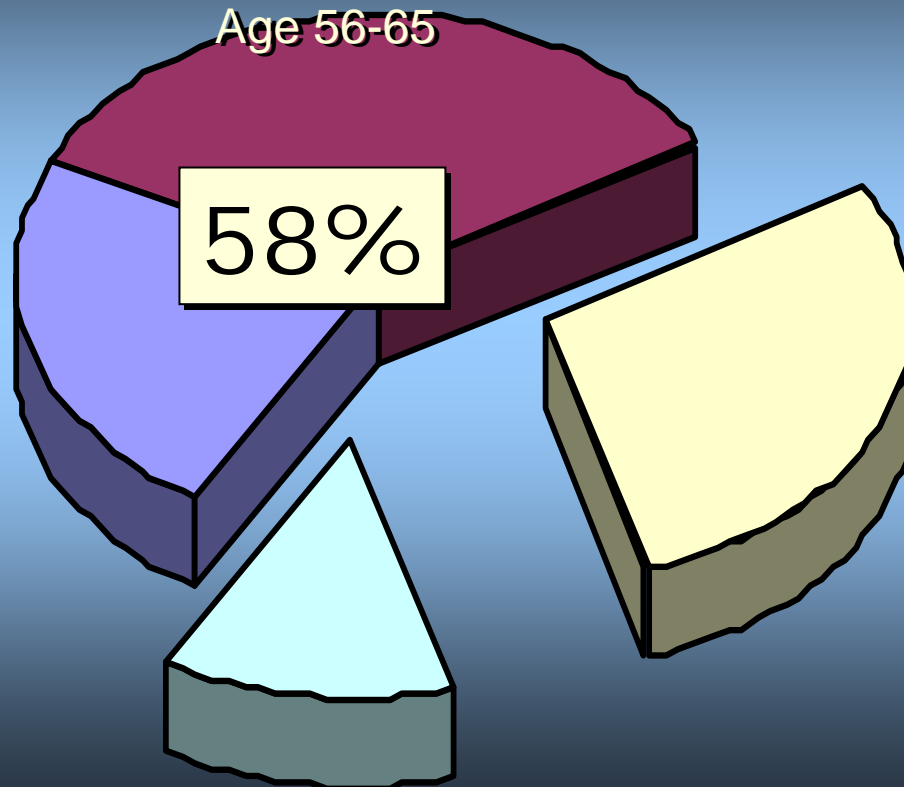


Composite 2002 Searches

LTC Users

Searches age
65 and under
58%

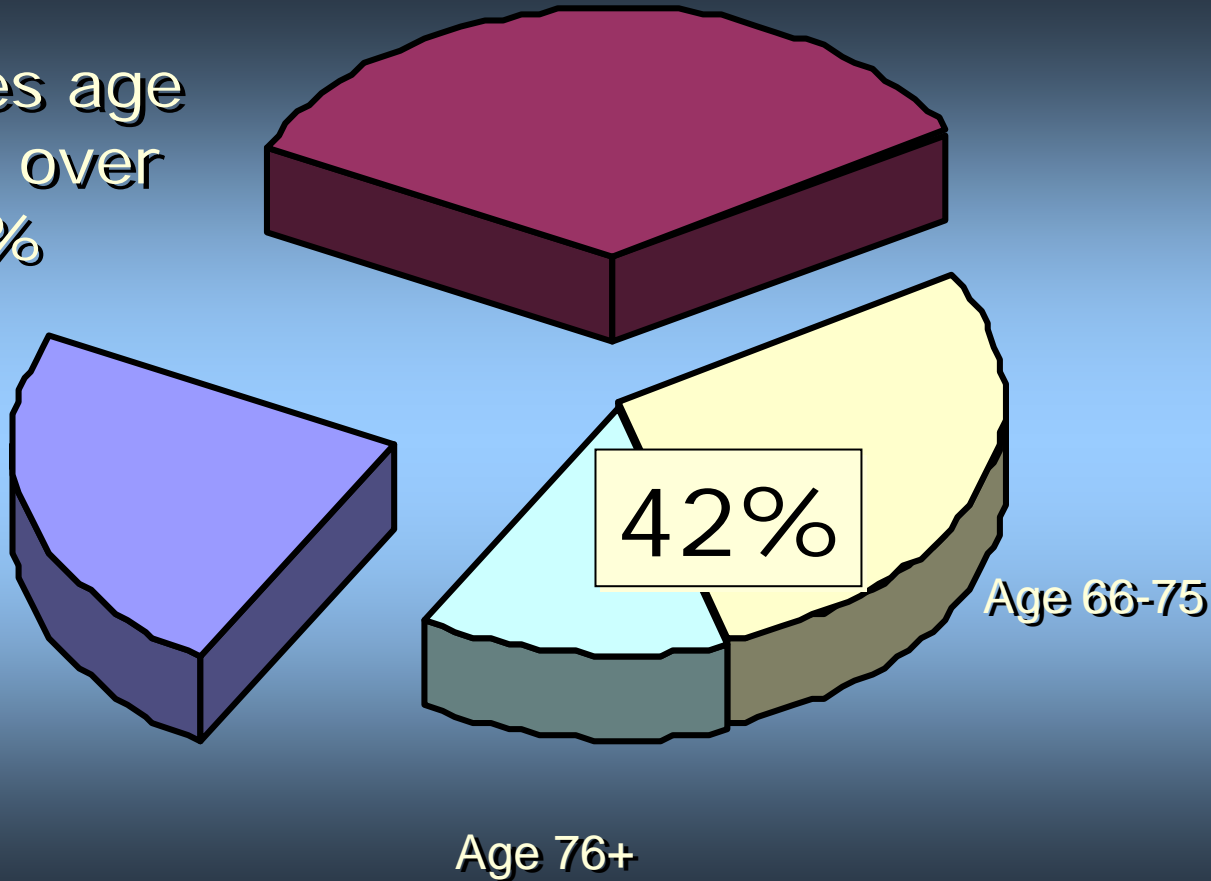
Age < 55



Composite 2002 Searches

LTC Users

Searches age
65 and over
42%








What Did They Discover?

LTC Users


→ Overall **22% hit rate**

→ Search Highlights

-  196: Cognitive test abnormal
-  353: Cerebrovascular Disorders –
Accident or insufficiency
-  1,759: Diabetes Mellitus
-  545: Malignant Tumor
-  200: Disorder of the central nervous system

How About Co-Morbidities?

→ **50%** of the individuals in the database have
more than one code

 Of those, **50%** of these individuals have
3 or more codes

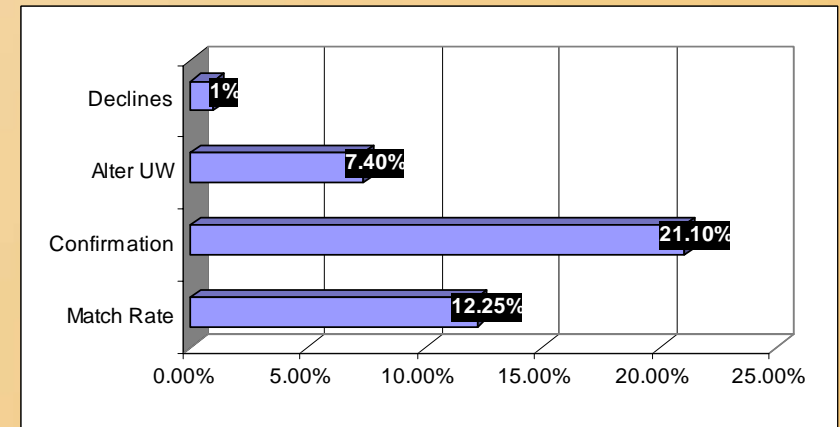
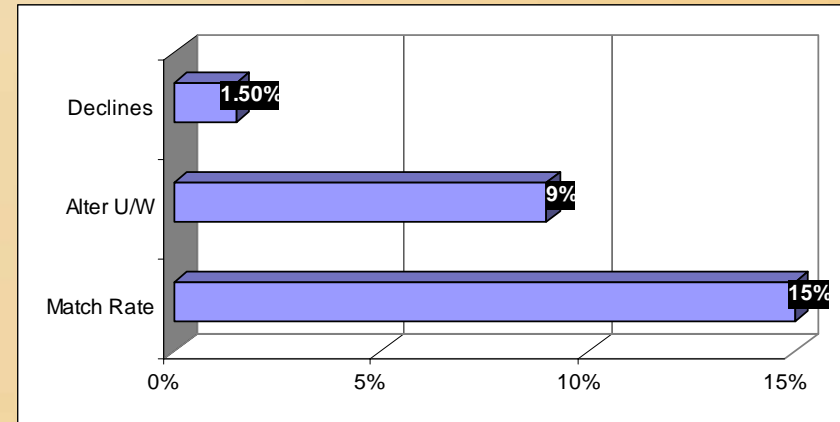
→ Incidence of **multiple codes** increase
significantly with age

Taking the Challenge

- ➔ Multiple companies 6000+ policies (standard issue)
- ➔ MIB's evaluation based on each Co.'s underwriting guides

- ➔ 1 company 500 records (their evaluation)
- ➔ 5 declines
- ➔ 32 would alter underwriting
- ➔ 107 total matches (MIB-IAI)
- ➔ 62 matches w/ codes

Consistent Findings



Robust Database

A TWO-WAY STREET

- The database depends upon your input
- Reporting occurs at time of underwriting
- Coding should be factual and accurate
- Permissible sources of reportable information




Reportable Codes

→ Always Reportable/No Time Limits

 Leukemia

 Parkinson's Disease

 Cystic Fibrosis

→ Time Limits

 Polycythemia within five years

 Tuberculosis within three years

Discretionary Codes

→ Reportable only if condition is significant to health and longevity




 Gallbladder - no need to report single mild attack

 Asthma - no need to report mild occasional attacks

 Report on-going steroid therapy

Work Flow

- MPR – MIB Process Review Team

- MIB will work with you to identify the best options to meet your requirements
 -  Four connectivity options
 -  Productivity tools
 -  Training

Why Use MIB?

→ In all age brackets

- 📄 Often **sole alert** to omission, misrepresentation & fraud
- 📄 Brings **focus** to underwriting investigations
- 📄 Added **confidence** around applicant information
- 📄 **Confirmation** value
- 📄 Strong sentinel effect, **deterrence**

What's Your Tipping Point ?

Can you
afford to be wrong
on 1 - 2% of the cases ?

Should you get more
appropriate premiums
on 7 - 8% of the cases?