The “Invasive” Hoax

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Have you noticed that the word invasive is being bandied about more and more often in underwriting-related articles and commentaries published online and in various industry publications?

This is mainly being done by those advocating radical changes in underwriting practices. In many cases, they stand to benefit, financially or otherwise, if a putative underwriting “resource” in which they have a direct or indirect interest were to replace lab testing.

Are these individuals exploiting the clinical definition of invasive to send this not-so-subtle message: blood testing is customer-unfriendly and thus undermines what is fashionably referred as “the customer journey”?

Is their argument valid or does it amount to little more than a “bait and switch” gambit to advance their own interests?

To put this matter in perspective it behooves us to begin by defining invasive and clearly distinguish it’s meaning in clinical medicine as contrasted to a life insurance context.

Medically, invasive is defined as introducing instruments or other objects into the body or body cavities.

Despite this matter-of-fact definition, invasive has an implicitly negative connotation.

For example, in histopathology, characterizing a lesion as invasive is akin to saying that it likely poses a significant risk to the patient’s wellbeing (e.g., invasive tumor).

Advances in cardiac computed tomography and magnetic resonance imaging have greatly reduced the use of invasive catheter-based coronary angiography. In the same way, elastography and other techniques can often identify liver fibrosis without the need for an invasive liver biopsy.

In both of these examples, invasive has negative connotations because of potentially serious complications from conventional angiography and liver biopsies.

Clinical blood testing is obviously invasive.

Nevertheless the CBC and various metabolic panels are the most widely used tests in medical practice.

Fact is the substantial majority of life insurance applicants will have had invasive blood testing at their physicians' behest before they encounter it in an insurance acquisition context.

Given the foregoing, two things are true:

1. Blood testing as defined clinically is *invasive.*
2. Anything that satisfies the clinical definition of *invasive* has an inherently negative connotation.

Therefore, those who oppose blood testing in underwriting can exploit this clinical definition to buttress their position.

This raises an essential question: how should invasive be defined from a risk appraisal perspective?

One of the overarching mandates of senior management – in this new age of "faster, cheaper, better" – is to avoid doing anything that is customer-unfriendly.

Therefore, the appropriate definition of invasive in underwriting is: "that which is likely to be perceived negatively by insurance applicants".

One is tempted to add "…and/or by producers," given carriers' ongoing struggles to maintain an adequate field force at a time when the producer population is shrinking.

In order for blood testing to be truly invasive in life underwriting it would have to be seen in a distinctly unfavorable manner by producers and, above all, by their clients.

There will inevitably be a handful of individuals alleging a "fear of needles" as well as rare occasions of a botched venepuncture procedure.

Nevertheless, the aggregate incidence of applicant pushback occasioned by our use of blood testing has in fact been negligible to nil over the last four decades.

And this includes millennial applicants.

Therefore it is patently disingenuous to stigmatize blood testing as invasive in an underwriting context.

Are those who do so using a bait and switch strategy to deflect attention from drawbacks inherent in what they promote as “desirable” alternatives to blood testing?

To answer this essential question, one is obliged to ask whether the novel options they advocate are themselves invasive based on the aforementioned industry-appropriate definition.

Let us now consider this as it pertains to some of these hyped up “resources.”

ZIP Codes

Redlining is the term for using ZIP codes in property/casualty underwriting.

It is incredibly invasive by virtue of its blatant spoor of racial discrimination.

So much so, in fact, that one might think this taboo practice would never be seriously advocated in our midst.

Unfortunately, it has…and, for the record, quite recently.

Personal Purchase Records

To say that trafficking in the details of how applicants use their disposal income is invasive would be an egregious understatement.

No regulator with an ounce of concern for the interests of their constituents would countenance this practice in life insurance risk appraisal.

And even if, for whatever reason, a regulator did condone our use of personal purchase records, the customer and producer outcry, resulting from myriad mistaken assumptions adversely affecting insurability, would be deafening.

"Selfies"

The use of applicants' facial features as a marker for biological vs. chronological age is being actively promoted to life insurers. It has somehow managed to engender a modicum of interest.

If you think this practice is not invasive from an underwriting perspective, take a look at these online comments posted in response to a Washington Post article about the concept:

"To be sure, this is racist and dangerous."

"If it comes to pass, I hope there's one giant lawsuit."

"Sun exposure, drugs, and stress affect how old you look. But they don't all necessarily shorten your life. Except, perhaps, the stress that will come from insurance companies charging outrageous premiums on the basis of 'scientific' imaging."

An industry firm retained this underwriter to investigate the merits of "selfies" as a potential risk appraisal asset.

The weight of evidence from that extensive investigation – which included an in-depth medical literature review – does not support a role for "selfies" in life underwriting.

Credit Records

The *invasive* element here pertains to medical indebtedness resulting from a catastrophic illness affecting an applicant's family member.

The oft-enormous financial burdens imposed by such events should be clearly distinguished from other adverse credit-related issues and not used in any type of mortality risk assessment.

Marital Status

There is substantial evidence of mortality-related implications associated with being separated or divorced; that is, when compared to those who are married/cohabitating. In a vacuum these data could make a case for using marital status in underwriting.

The invasive nature of doing so becomes apparent when one considers certain contexts in which separations and divorces often occur.

How do we explain to someone who fled an abusive spouse that their act of self-preservation will have unfavorable implications when applying for life insurance?

The same concern is present regarding anyone involuntarily separated or divorced.

Marital status is off limits in life underwriting.

Wearable Devices

The decision to use a wearable device to accrue advantages when acquiring life insurance has no *invasive* implications because the applicant chooses to do it.

It is unclear, however, whether these devices will result in any sustained mortality advantages, most notably because those most apt to persist in using them are usually preferred if not super-preferred risks in the first place!

The conclusions from this inquiry into the definition and use of the term *invasive* are summarized as follows:

1. Blood testing in underwriting is clearly not *invasive* based on the appropriate life insurance definition.
2. Evoking the clinical definition of *invasive* to disparage this longstanding practice is a deceptive practice.
3. This deception deflects attention from drawbacks inherent in various would-be underwriting resources touted as replacements for lab testing…
4. …many – but not all – of which are themselves indisputably *invasive* in the context of insurability assessment.