



Inclusive underwriting helps AXA Tianping boost sales by 30%

Discover how AXA profitably insures a wider book of business by automating the assessment of pre-existing medical conditions



Introduction

AXA Tianping Property & Casualty Insurance Company Ltd (AXA Tianping), China's largest foreign P&C insurance provider, sought to enhance its health insurance offering in China by providing more inclusive health coverage, particularly for individuals with chronic medical conditions, without unnecessarily increasing their risk exposure.

To achieve this, AXA Tianping turned to Verisk's Health Risk Rating Tool to streamline underwriting decisions in real time and provide dynamic pricing.

The implementation of this tool has had a transformative impact on AXA's operations in China, driving a 30% increase in sales within the first 12 months from launch. By automating the assessment of chronic medical conditions, AXA can now offer more inclusive health policies without exposing itself to undue risk.



The challenge

In China, the rise of chronic diseases poses a growing challenge for health insurers. With over 300 million people managing chronic diseases, China is navigating considerable healthcare challenges that may grow as its population ages and urbanises.

Insurers typically view these conditions as risky due to the complex nature of manual underwriting, which often requires medical records, prolonged reviews and, ultimately, many exclusions. In China, high- and mid-level insurance coverage is more accessible to individuals in good health, which can result in coverage challenges for those with pre-existing health conditions.

Thus, insurers find themselves with a shrinking pool of 'healthy lives', while neglecting a significant portion of the market. A growing middle class is driving increased interest in more comprehensive healthcare coverage to supplement state provisions.

While these challenges reflect global trends, the scale and complexity of China's healthcare market makes them especially pressing. Many insurers wish to rise to the challenge, expanding their coverage to include pre-existing conditions while still managing the associated risks.



The solution

Verisk's Health Risk Rating Tool offered AXA a way to make data-supported decisions regarding medical risk. The technology automates the assessment of pre-existing conditions, with algorithms that generate relative risk scores based on more than 10 years of medical claims data. Backed by 40 million medical risk assessments per year, and with over 1,400 searchable medical conditions, the Risk Rating Tool allows insurers to assess the risk associated with chronic conditions accurately and in real-time.


AXA Tianping integrated Verisk's tool into its existing platform via a simple API under the name IMPACT (Intelligent Medical Acceptance Tool), allowing customers to self-declare their existing medical conditions via a dynamic questionnaire. This information is processed through Verisk's algorithm to provide a risk score, allowing insurers to decide whether to exclude the condition or apply another underwriting outcome aligned to the insurer's risk appetite. The integration of the Health Risk Rating Tool into an end-to-end journey also supports omni-channel distribution, with faster, real-time results for brokers and agents distributing AXA's health insurance offering.

With this automated, real-time underwriting process, AXA can now offer insurance products to a wider customer base, including those with complex medical histories. This inclusivity not only meets demand but also positions AXA as a leader in a market where many insurers still rely on manual processes or blanket exclusion policies.

The implementation

The implementation of Verisk's Health Risk Rating Tool was efficient thanks to Verisk's Widget API, an out-of-the-box solution that integrated seamlessly into AXA's existing systems. The API provides a simple deployment, allowing AXA to customise elements of the user interface based on its customers' needs.

AXA's development teams led much of the implementation, with Verisk's Shanghai and Asia-Pacific teams providing ongoing technical support. Prior to the launch, Verisk conducted a comprehensive site audit to test the platform against AXA's underwriting rules, ensuring the accuracy of risk assessments and alignment with underwriting policies.



AXA can now offer insurance products to a wider customer base, including those with complex medical histories

The advantage

One of the key metrics AXA tracked after implementing the tool was the reduction in underwriting intervention. By automating the risk assessment process, AXA was able to reduce the need for manual reviews, freeing up underwriters to focus on more complex cases. This efficiency, combined with the ability to offer more inclusive coverage, contributed to a 30% increase in sales all whilst maintaining a stable loss ratio, leading to a profitable outcome for AXA's portfolio.

The shift from manual to automated underwriting has also drastically reduced the time required to process applications. What once took several days or even weeks can now be completed in real time, improving the customer experience and reducing the likelihood of losing potential policyholders during the application process. Additionally, the transparency provided by Verisk's risk scores has given AXA more control over managing risk and the ability to set premiums more dynamically, accurately, and sustainably.

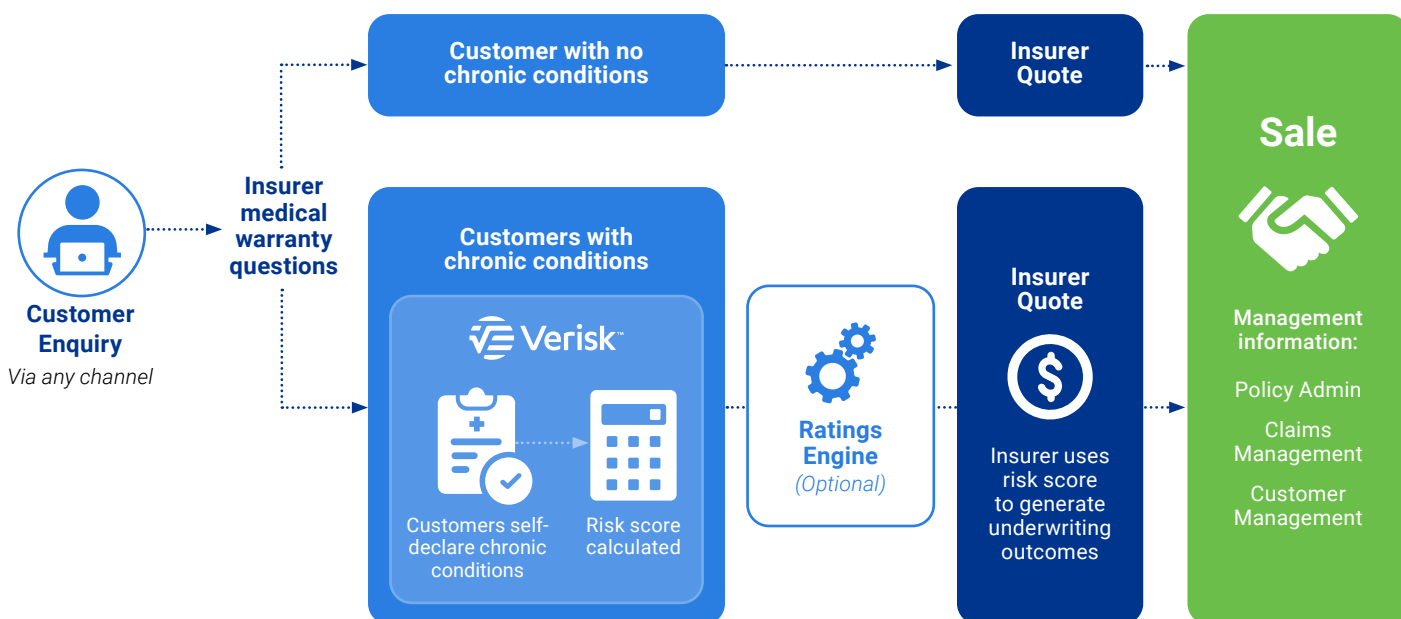
Beyond these immediate benefits, AXA's ability to provide more inclusive coverage makes it a leader in a competitive market where insurers are vying for the same pool of younger, healthier lives. As chronic conditions rise and insurers face pressure to expand their appetite for risk, AXA's use of Verisk's Health Risk Rating Tool has provided the agility to meet these demands.

AXA Tianping's health insurance sales have increased by 30% since using the Health Risk Rating Tool. The tool's ability to provide accurate risk rating outcomes and create efficiencies in our workflow has greatly improved the overall customer journey and significantly reduced underwriting intervention. We are grateful for our partnership with Verisk and will continue to provide our customers with inclusive insurance coverage tailored to the individual.

Fred Ding

Managing Director, AXA Global Healthcare China

Health Risk Rating Tool Workflow Overview





Ready to achieve similar success?

Join the future of inclusive underwriting with
the [Health Risk Rating Tool](#).

