



A Quest Diagnostics Company



# Transforming insurance underwriting: The role of health data in risk management

Exploring the increased role of real-time health data to enhance risk assessment, improve underwriting accuracy, and protect policyholders from unexpected liabilities



## The evolving need for real-time data in underwriting

In a rapidly changing and competitive industry, the need for real-time data updates in underwriting has become increasingly critical. Traditional methods of risk assessment, which rely heavily on static or historical data, are proving inadequate in addressing the complexities of today's market. The drive for more accurate, timely, and actionable insights is not just a trend—it's an industry imperative.

### The market landscape: challenges and opportunities

The global insurance industry is undergoing significant transformation. According to a report by Deloitte, technological advancements and shifting consumer expectations are pushing insurers to innovate their processes, particularly in underwriting, where the stakes are high. The market for insurance technology, or InsurTech, is expected to grow significantly through 2030. This growth is driven by the increasing adoption of data analytics, artificial intelligence (AI), and real-time data solutions that enhance decision-making processes.<sup>1</sup>

However, despite these advancements, many insurers still rely on outdated data, which can lead to unanticipated challenges.

- **Inaccurate risk assessments:** Without up-to-date information, actuaries may underprice policies, and underwriters may overlook critical risk factors. This issue is compounded by the fact that approximately 25% of policyholders experience significant health changes within the first year of coverage.<sup>2</sup>
- **Increased fraud risks:** The insurance industry faces an estimated \$80 billion in fraudulent claims annually in the US, a figure widely believed to be extremely conservative.<sup>3</sup> Relying on historical data makes it easier for fraudulent activities to go undetected until it's too late.

These challenges underscore the importance of integrating real-time data into the underwriting process. Access to current, relevant information can drastically improve risk management, reduce fraud, and enhance overall efficiency.



Approximately

**25%**

**of policyholders**

experience significant health changes within the first year of coverage<sup>2</sup>



**\$80**

**billion in fraudulent claims** annually in the US alone<sup>3</sup>

### The shift toward real-time data

Real-time data solutions are gaining traction as insurers recognize the limitations of traditional underwriting methods. Industry experts cite the role of data as “pivotal” in optimizing decision-making, mitigating risk, and addressing evolving consumer needs.<sup>4</sup> This shift is not just about accessing more data; it's about accessing the right data at the right time.



**Industry experts** cite the role of data as “pivotal” in optimizing decision-making, mitigating risk, and addressing evolving consumer needs<sup>4</sup>



**Increasing regulatory scrutiny** is pushing insurers to adopt more robust risk management practices, which include the use of real-time data to ensure compliance and mitigate risks

## Key trends driving the adoption of real-time data to make real-time decisions

1

**Rise of advanced analytics:** The integration of advanced analytics and AI into insurance processes allows for more sophisticated risk modeling. These technologies rely on real-time data to generate accurate predictions and insights.

2

**Consumer expectations:** Today’s consumers expect fast, personalized service. Real-time data enables insurers to meet these expectations by providing instant risk assessments and tailored policy offerings.

3

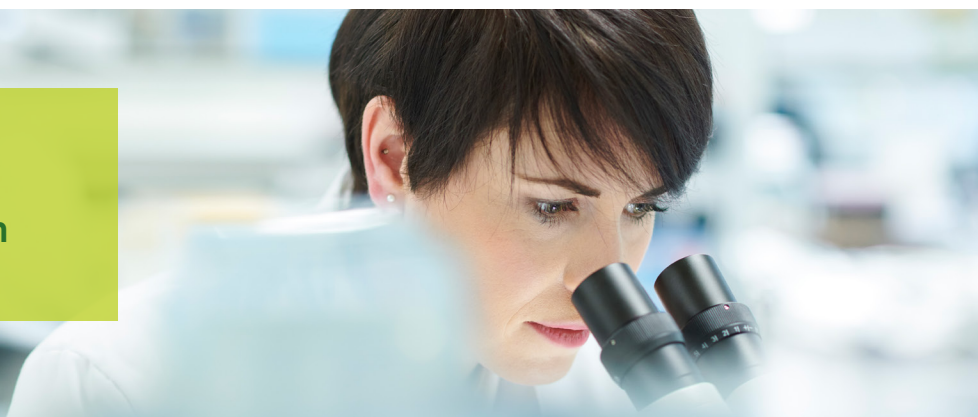
**Regulatory pressures:** Increasing regulatory scrutiny is pushing insurers to adopt more robust risk management practices, which include the use of real-time data to ensure compliance and mitigate risks. This may include regulatory needs for transparency as well as explainability of data and decisions.

## The role of real-time health data in enhancing underwriting

Among the various types of data available to underwriters, health data stands out for its ability to provide detailed insights. Traditionally, underwriters have relied on medical records and self-reported information to assess risk. However, real-time health data offers a more objective and comprehensive view, which is critical in making accurate underwriting decisions.

Studies have shown that integrating real-time health data into the underwriting process can significantly improve risk stratification.<sup>5</sup> For example, updated clinical data can reveal early signs of chronic conditions that may not yet be evident in medical records. This proactive approach enables insurers to adjust premiums or take preventive measures before a claim is filed, ultimately reducing costs and improving policyholder outcomes.<sup>6</sup>

**Real-time health data can reveal early signs of chronic conditions not yet evident in medical records**





## A data-driven future is here

The insurance industry is at a crucial moment where the adoption of real-time data is no longer optional but necessary.<sup>7</sup> The ability to integrate real-time data, particularly lab data, into the underwriting process can provide a significant competitive advantage, leading to more accurate risk assessments, better fraud detection, and improved efficiency.<sup>8</sup>

For insurers seeking to stay competitive and responsive in this dynamic environment, a solution like RePiQture™ by ExamOne is the right tool at the right time. As the industry continues to evolve, adopting a data-driven, real-time approach with solutions like RePiQture™ is essential to future-proofing underwriting processes.

With ExamOne's comprehensive data platform, you will have detailed data at your fingertips that would otherwise take weeks, or even months, to obtain. All of our products and services are designed to give you the intelligence you need to make faster, more confident underwriting decisions.

- RePiQture™ empowers underwriters to make more informed decisions with real-time data—which can protect portfolios and enhance profitability
- HealthPiQture™ is a comprehensive platform offering health and behavioral insights to support tailored and confident underwriting decisions
- HealthPiQture™ Mortality Score is a flexible scoring solution that combines diverse data inputs to generate a reliable health risk score for applicants
- LabPiQture™ provides clinical laboratory history, including real-time access to extensive laboratory testing data, enabling informed underwriting through detailed health insights
- ScriptCheck®, our prescription history tool, offers complete and accurate prescription claims data by leveraging PBM relationships to identify potential risks and ensure underwriting accuracy
- Medical Claims data are available for real-time insights into insurance claims, including detailed medical procedures, ICD codes, and facility information, for comprehensive underwriting evaluations



Contact us at **ExamOne.com/About-us/Contact-us** to learn more about how RePiQture™ and other solutions can impact your underwriting process, address post-issue challenges, and optimize your risk exposure.

### References

1. Shaw G. 2022 insurance industry outlook, Deloitte Insights. Published November 17, 2021. Accessed December 1, 2024. <https://www2.deloitte.com/us/en/insights/industry/financial-services/financial-services-industry-outlooks/insurance-industry-outlook.html>
2. Chester A, Ebert S, Kauderer S, McNeill C. From art to science: the future of underwriting in commercial P&C insurance. McKinsey & Company. Published February 12, 2019. Accessed October 24, 2024. <https://www.mckinsey.com/industries/financial-services/our-insights/from-art-to-science-the-future-of-underwriting-in-commercial-p-and-c-insurance>
3. The impact of insurance fraud on the US economy. Coalition Against Insurance Fraud. Published August 26, 2022. <https://insurancefraud.org/wp-content/uploads/The-Impact-of-Insurance-Fraud-on-the-U.S.-Economy-Report-2022-8.26.2022-1.pdf>
4. In what ways is advanced data analysis reshaping insurance? FinTech Times (online). Published March 29, 2024. Accessed October 30, 2024. <https://thefintechtimes.com/in-what-ways-is-advanced-data-analysis-reshaping-insurance-and-the-sectors-decision-making>
5. Javanmardian K, Ramezani S, Srivastava A, Talischi C. How data and analytics are redefining excellence in P&C underwriting. McKinsey & Company. Published September 24, 2024. Accessed October 30, 2024. <https://www.mckinsey.com/industries/financial-services/our-insights/how-data-and-analytics-are-redefining-excellence-in-p-and-c-underwriting>
6. Top Insurance Trends 2022. Capgemini. <https://www.capgemini.com/insights/research-library/top-trends-in-insurance-2022-ebook/>
7. Kueker D. Data modernization in insurance part I: creating a data and analytics strategy. RGA website. Published November 2023. Accessed October 30, 2024. <https://www.rgare.com/knowledge-center/article/data-modernization-in-insurance-part-i-creating-a-data-and-analytics-strategy>
8. Shaw J. The growing need for real-time data. InsuranceThoughtLeadership.com. Published October 4, 2024. Accessed October 30, 2024. <https://www.insurancethoughtleadership.com/data-analytics/growing-need-real-time-data>

Image content features models and is intended for illustrative purposes only.

### QuestDiagnostics.com

Quest®, Quest Diagnostics®, any associated logos, and all associated Quest Diagnostics registered or unregistered trademarks are the property of Quest Diagnostics. All third-party marks—® and ™—are the property of their respective owners. © 2024–2025 Quest Diagnostics Incorporated. All rights reserved. MI13450EO 1/2025