



## RGA Survey Results: Underwriting Practices and Product Features for Group Critical Illness Coverage Continue to Liberalize

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*Second Biennial Survey Examines Practices Among Major Group Insurance Carriers*

ST. LOUIS--(BUSINESS WIRE)--Sep. 5, 2017-- RGA Reinsurance Company, a subsidiary of [Reinsurance Group of America, Incorporated](#) (NYSE:RGA), today announced results for the second edition of the Critical Illness Underwriting Practices for Employer Groups survey. In recent years, critical illness has been one of the fastest growing voluntary products, and RGA's survey reveals a continued trend toward liberalizing certain underwriting practices and product features.

Twenty-one group insurance carriers who currently offer group critical illness in the United States responded to the survey, which gathered data on carrier practices, including plan design trends, guaranteed and maximum issue limits, underwriting guidelines, participation rates, eligibility requirements, standard commission structures and rate guarantees.

Survey highlights include:

- **Pre-Existing Conditions Limitation:** Three-quarters of respondents said they have experienced an increase in requests to waive pre-existing condition limitations. This liberalization is notable, as several respondents specifically mentioned reducing or waiving the pre-existing condition provision as one of their top three critical illness market trends of most concern.
- **Private Exchanges:** Two-thirds of carriers offer critical illness coverage via private exchanges in addition to traditional platforms.
- **Enrollment Practices:** In contrast to 2015 survey results, carriers note that open enrollment with guaranteed issue is standardly offered to *all* employees and dependents for new business, and two-thirds of carriers standardly offer the same for renewals. Nearly half of participating carriers offer open enrollments with guaranteed issue to accommodate private exchange and enrollment platform requirements.
- **Recurrence Benefit:** Once thought of as an optional benefit, recurrence is now viewed as a policy standard. Survey results indicate lower recurrence benefits may also be a thing of the past as offering full benefits for recurrence is on the rise.
- **Lifetime Maximum Benefit:** Almost half of the carriers no longer have a lifetime maximum benefit amount. Of those that have a limit, 50% include a 300% - 500% maximum benefit.

"The liberalization of product features and underwriting guidelines is not a complete surprise," said Mary Johnson, Senior Marketing Underwriter at RGA. "We've witnessed the expansion of new covered conditions in virtually every country where critical illness is sold. However, market pressures in the U.S., including the ACA and high deductible plans, are unique, and we are seeing liberalizations not seen elsewhere. While no single aspect of the current trend is overly troublesome on its own, we believe the compounding effect of relaxed guidelines and practices pursued simultaneously is cause for concern. As more carriers expand product portfolios to include critical illness insurance, it has created a 'me too' market to some degree. One positive trend noted in the survey is GI limits generally remained the same."

The Critical Illness Underwriting Practices for Employer Groups survey is a biennial benchmarking survey produced by RGA. Full results, including participation levels, GI/MAX amounts, and carrier perspectives regarding top market trends of concern, are made available only to participating companies. To view additional commentary about the survey results, visit [rgare.com](#).

### About RGA

Reinsurance Group of America, Incorporated (RGA), a Fortune 500 company, is among the leading global providers of life reinsurance and financial solutions, with approximately \$3.2 trillion of life reinsurance in force and assets of \$58.1 billion as of June 30, 2017. Founded in 1973, RGA today is recognized for its deep technical expertise in risk and capital management, innovative solutions, and commitment to serving its clients. With headquarters in St. Louis, Missouri, and operations in 26 countries, RGA delivers expert solutions in individual life reinsurance, individual living benefits reinsurance, group reinsurance, health reinsurance, facultative underwriting, product development, and financial solutions. To learn more about RGA and its businesses, visit the company's website at [rgare.com](#).

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