

FUNERAL DIRECTORS LIFE CUTS PRICING RUNTIMES BY 95%

DIRECT INSURANCE



FUNERAL DIRECTORS LIFE

Company Funeral Directors Life
Location Texas, United States

The new chief actuary stepped into the role and inherited an inflexible platform and a labyrinth of external workarounds that slowed progress.

When the solution provider was slow to respond only to provide an expensive solution, he knew it was time to look elsewhere.

FUNERAL DIRECTORS LIFE

Funeral Directors Life is an insurance company headquartered in Texas, selling pre-need insurance policies across the country since 1981. It is licensed in 45 states, and has current assets over \$1.4 billion. AM Best rates the company A- (Excellent).

“Either you force it to work, or you pay a ton of money, or you just don’t do it.”

- Dwayne McGraw, on the legacy system

KEY POINTS

SLOPE, cloud-native platform

OneMain can now focus on actuarial work and leave IT headaches behind by using SLOPE.

Simple interface, powerful performance

SLOPE’s intuitive visual code interface allowed OneMain’s actuaries to begin producing meaningful data in hours.

Cloud architecture

OneMain can now take advantage of instantly scalable resources for quickly computing new calculations required by LDTI.

CHALLENGE

Lost institutional knowledge

Historically, all pricing, valuation, and forecasting functions were completed by a single individual, the Chief Actuary. The former Chief Actuary had significant knowledge of the business, the actuarial software, and the ancillary processes developed to overcome the limitations therein.

Inflexible platform

After the change in personnel, Funeral Directors Life encountered limits with the legacy actuarial system. The system was inflexible and unable to adapt to a dynamic business model and product portfolio. Specific customizations of the pre-need product were not available in the historical software. These limitations required writing and editing code in a separate program to calculate factors that could be applied in a table back inside the model.

Reactive instead of proactive

While this enabled the necessary calculations, it also added a significant amount of work-around to the process. A pricing cycle could take upwards of two weeks to complete, forcing Funeral Directors to only work on pricing when it was absolutely necessary.

As a result, pricing was performed infrequently and inefficiently, limiting the opportunity to influence the market and be leaders in their industry.

SOLUTION

Legacy vendor challenges

Their legacy system had an upgrade option that would require hundreds of thousands of dollars in fees. But even this proved to be unworkable. The interface did not appear to have any advanced features. And the newer version did not appear to offer any greater functionality or take advantage of modern technology.

A quote was requested, but months went by without an update so Dwayne began to look elsewhere.

A modern solution

After seeing an example of SLOPE in action, McGraw was confident that the system could provide the solution they wanted and needed, in a much more user-friendly, cost-effective way.

Because of SLOPE's flexible, user-defined formulas and relationships, models of the pre-need products could easily align commissions with the face amount. As well, that face amount could be defined in a flexible way to handle various increases for inflation, and even account for additional conditions as necessary.

And because SLOPE licenses come with support from dedicated account representatives, McGraw was able to get advice on how to best build the models to reflect the business and risk management functions. He no longer has to find work-arounds and manage external add-ons.

RESULTS

Short learning curve

SLOPE was built to allow actuaries to move quickly as they want and Dwayne was up and running on the platform within a matter of hours.

By the time Dwayne finally got a quote back from his legacy provider, he had already seen SLOPE, purchased a license, onboarded the platform, and solved the problem he was encountering on his previous platform.

Drastic runtime reduction

Now, instead of taking 2 weeks to conduct a pricing run, Funeral Directors Life can complete the same kind of work in only a few hours (4 hours on the most recent run). The time for pricing cycles has been reduced by about 95%.

Now, McGraw can run pricing much more frequently and with strategic intent. He said, of the opportunity to be a leader in their industry, "We can set the market, rather than trying to follow it."

Regularly ahead of schedule

As Funeral Directors Life continues to use SLOPE, they are finding benefits that far beyond just that of pricing runs. Dwayne has now conducted multiple year-end reporting cycles with SLOPE. He typically finishes his Cash Flow Testing in the days of January and wraps up his report weeks ahead of the March 1st deadline.

“We can set the market, rather than trying to follow it.”

- Dwayne McGraw, EVP & Chief Actuary

ABOUT SLOPE

SLOPE is a cloud-native actuarial modeling platform that is built from the ground up to save time. Actuaries spend less time managing and processing data and more time developing deep, insightful analysis of results, empowering their businesses to make better decisions. Its powerful functionality gives users the transparency they need to fully understand and adjust their models, while also providing the control to easily govern and secure production-level work.

Join the companies from around the world that are already taking their business to the next level with SLOPE at slopesoftware.com