

# AIG Underwriting Lab Score FAQs

## What is Lab Scoring

Lab Scoring was first developed for use in clinical medicine to pull lab test results into a single number that could be used as a faster indicator for a disease or impairment, and to measure its progression or response to treatment.

Recently, insurance laboratories introduced lab scoring to pull the various test results, as well as physical measurements, into a single number that could enhance risk evaluation for insurance applicants. There are a couple different versions in the market today, but they essentially work the same way:

- Score each of the relevant lab tests
- Combine those results with scores for the physical measurements (build, blood pressure, pulse)
- Apply a modifying algorithm and calculate anticipated mortality based on the combination of all those elements:
  - This methodology\* was developed based on research of long-term mortality associated with laboratory results and physical measurements in over 20 million insurance applicants from age 20 to over age 80. Information on this extensive research is included in this document.

\* AIG has validated the methodology using our own claims and mortality experience and has been using lab scoring for the past 3 years.

## How does Lab Scoring work

Lab Scores are based on actual mortality of life insurance applicants; and as a result, the usual lab reference ranges are de-emphasized.

- Example: GGT (Gamma Glutamyltransferase) is a liver enzyme that is present in various tissues. Elevations may be due to hepatitis, heavy alcohol consumption, diseases of the liver or pancreas, use of certain medications and a number of other impairments.
  - Normal value ranges may vary slightly among different laboratories, but a common normal range is 0 to 51 international units per liter (U/L).
  - Typical lab reference normal ranges are not based on actual mortality exhibited by individuals with the same age and gender. In other words, a GGT elevation of 75 for a 30 year old female presents a different mortality risk compared to the same elevation for a 50 year old male.
  - Lab scoring is based on age and sex, so the relative mortality risk of each applicant relative to peers is correctly identified. A 30 year old female is compared to other 30 year old females. A 50 year old male is compared to other 50 year old males.
  - Lab Scoring applies this same concept/methodology to more than 20 individual tests within the lab profile and provides a composite score of the overall results.

## Explain potential negative impacts...

- Lab Scoring can adversely impact both Term and Permanent insurance risk evaluation on extremely abnormal results. Extremely abnormal lab scores are declined. It is very rare for a case to be declined solely on the basis of a lab score.
- In nearly every declined case involving lab scoring, the lab score reflects extremely adverse findings (such as a Glucose of 250, Hemoglobin A1C of 12, etc.). In rare instances, albumin, globulin or urine protein abnormalities will result in an adverse lab score. These are lab findings that require careful evaluation and follow-up with a physician.
- There are rare situations where a "clinically normal" lab result may still be adversely scored. These cases while rare reflect the higher risk profile for life insurance clients of similar age and gender as explained above.

## What is Smart Scoring

AIG's proprietary Lab Scoring methodology is called a "Smart Score." It is a credit system that solidifies our commitment to enhance the competitiveness of our underwriting offers.

Did you know:

- Favorable lab scores may qualify as additional "healthy credits" and allow for improved offers, including preferred classes
- The bulk of applicants (over 95%) have lab scores that will not adversely impact their underwriting class
- We review all adverse scores to ensure the scoring is reasonable
- Our Smart Score is age and gender specific, and has actually allowed us to improve our pricing

## Does AIG share its results

Applicants can obtain a copy of their lab results from our laboratory (CRL - Clinical Reference Laboratory). Along with their results, they will receive:

- The individual lab score components
- A one-page information sheet providing additional information on lab scoring



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