



SOCIETY OF ACTUARIES

Health Valuation Boot Camp
August 12- 13, 2009

Session 2b: Liabilities for Long Duration Products

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Valuation Boot Camp

Issues with Actuarial Liabilities for Long Duration Products

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Issues with Actuarial Liabilities for Long Duration Products

Long Term Care:

- Data Sources
- Assumptions setting
- Old age mortality
- Underwriting impact
- Effect of Claims Management
- Expected vs. Reality
- Medical Developments (e.g. morbidity improvements)
- Provision for Moderately Adverse Experience
- Principles Based Reserves
- Reserve Adequacy

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Issues with Actuarial Liabilities for Long Duration Products

Long Term Care:

- Interest rates
- IBNR estimates
- Claim data coding (incurral dates, recurrent claims, etc.)
- Unlocking triggers
- Gross premium valuations

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Issues with Actuarial Liabilities for Long Duration Products

Disability Income:

- Expected vs. Reality
- Data Sources (CIDA adequacy)
- Medical Developments (e.g. mortality improvements)
- Reserve Adequacy
- Interest rates
- Social Security offsets (and potential changes)
- Health reform impact
- Experience studies underway

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