



Frequently Asked Questions for the 2004-05 Data Call

What is the connection to the current Principles-Based Valuation effort?

The 2002-04 Individual Life Experience (ILEC) Data Call supported the initial effort towards Principles-Based Valuation through the introduction of risk class rank to determine multiple preferred and standard mortality classes. The 2004-05 ILEC Data Call continues this effort to provide preferred and standard experience on an ongoing basis.

The 2004-05 ILEC Data Call adds policyholder behavior to all of the formats. The policyholder behavior is an important component of Principles-Based Valuation. In 2004-05 formats request that this data be provided if they are currently present in your experience study. For future data calls, we request that you review all the minimal policyholder behavior fields, determine where they are available in your systems and plan to add them to your experience study system in the future.

To meet the required deadlines, we need companies to contribute data by September 30, 2006.

What about Data Security and Confidentiality?

The Center for Medico-Actuarial Statistics at MIB has performed data compiling, validation, summarization and analysis for numerous SOA experience studies for over twenty years. Companies that participate in an experience study by contributing data to MIB have strong assurance that their data will not be disclosed in any kind of individually identifiable form. On an opt-out basis, data contributions will both support the SOA's individual life mortality study and the individual life lapse study of LIMRA. Only MIB, LIMRA, and SOA have knowledge or access to individual company data or identifiable company results. Data contributions may only be used for the purposes for which such data was originally contributed, including procedures which validate data and results, and quality assurance procedures that verify conformance of data and processes to defined requirements. As we have done with other companies, we will work with you to meet your company's security needs and concerns.

What Is The Relationship Between the Minimal Formats and The SOA/LIMRA Format?

Both the Minimal Mortality Data Contribution and the Minimal Policy Holder Behavior Format are subsets of the larger SOA/LIMRA format. The Minimal formats are intended to form a stable base of data elements needed on an ongoing basis. The SOA/LIMRA format enables companies to contribute more data, such as 'Cause of Death', allowing better more in depth studies.

What Are The Types of Policyholder Behavior Being Studied?

The main types of policyholder behavior being studied are:

- Premiums and secondary guarantees
- Account values (total, fixed, indexed, shadow) and transfers between accounts
- Other fields such as policy loan amount and loan information

How Are Minimal Mortality Data Contribution and Minimal Policyholder Behavior Formats Related?

Minimal Mortality Data Contribution formats provide information on issue age, gender, smoking status, risk class rank and plan/policy form code that can be studied in conjunction with policyholder fields in the experience studies.

What Are Risk Classes and How Are They Ranked?

Since the aim of the principles-based valuation is to develop mortality studies on preferred as well as standard classes, the risk classes (multiple preferred, standard and substandard classes) that your company uses along with Smoker and Non-smoker need to be reported and ranked. This information is necessary for the proper preferred or standard class to be assigned to the data. Risk Class Rank coding instructions are on the CD provided with the Data Call or can be obtained from MIB by contacting Jan Palmbach, jpalmbach@mib.com.

Why is Policy Number Needed?

The policy number is needed to validate data submissions. Without either the policy number or an equivalent unique key, the data record submitted cannot be matched to the actual policy data. An equivalent unique key could be constructed by using a common algorithm such as policy number plus the number 10.

What if I Cannot Submit the Policy Number?

An equivalent unique key could be submitted that your company can use to trace back the submitted data to the actual policy data. An equivalent unique key could be constructed by using a common algorithm such as policy number plus the number 10.

Do I have to Contribute Every Field?

- On the Minimal Data Contribution all of the fields must be provided.
- On the Minimal Policyholder Format:
 - For the 2004-05 contribution, give those elements that are present in your experience study system.
 - For future data calls, determine where the data elements are in your company's other systems and plan to add them to you experience study system.
- When the Minimal Mortality Data Contribution and Minimal Policyholder Behavior Format are used together, they should appear on the same record.
- There is a significant amount of data requested for each seriatim policy record. Some of the data requested is not applicable to all policies. Other data may not be available on certain contributors' data bases. The code "0" is often referred to in the detailed data specifications as the appropriate code if numeric information is unknown or blanks if text information is unknown.

If Risk Class Rank is coded, either the Smoker or Nonsmoker fields on a single record should be coded and all fields on the alternate smoker type should be left blank.

- Also with Risk Class Rank there is an alternative is to provide an internal company code with a separate document to explain the code. An example is 'Nonsmoker Risk Class' which can be handled either by using a predefined one byte code or by using the following 10 bytes for internal company code and also sending a separate document to explain the codes. And this code should appear either in the Smoker or the Nonsmoker field on each record, as is appropriate.

What Is The Current Experience Study Process?

The current data call continues SOA's delivery of reliable information on overall inter-company experience. Beginning with the 2002-04 data call, the experience study process has been greatly improved the ability to provide detailed analysis. The impetus of the improvement was providing the Risk Class information of preferred and standard classes.

Teams of volunteers have validated the following process:

1. **File Validation** – File Validation gives the contributing company immediate feedback on the quality and contents of the contribution. This feedback allows errors to be identified and corrected early in the processing.
2. **Map to Standard Format** – The Map to Standard Format process harmonizes the data submitted from many companies in different formats into a standard format.
3. **Data Validation** – The Data Validation process does extensive syntax and validity checking to the data.
4. **Mortality Study** – The Mortality Study phase provides the ability to measure the experience against different mortality tables.
5. **Reporting Resource** – The Reporting Resource is an advanced reporting structure that is used to facilitate the multiple study requirements.

Where Do I Send My Tape Or CD?

Mail your tape or CD to the Data Coordinator at MIB at the address listed below. If you want to transmit by FTP through your FTP site, you can arrange that through the Data Coordinator at MIB.

What File Formats Can The Data Be Sent In?

MIB expects each file to contain one company and one policy or calendar year. We also need to be able to map the data. Since we accept data in several different formats, we need a guide to map your data. We will accept either column headings or a statement that you have exactly mapped to one of the formats and then please specify the format you are following.

MIB can accept the following file formats, which must use the ASCII character set:

- Text (.txt) – comma, column, pipe or tab delimited, must be fixed length records
- Comma Separated Values - (.csv) all records must have the same number of fields
- Access (MDB) - must have proper column headings

What Physical Formats Can The Data Be Sent In?

MIB can work with the following delivery methods and media:

CD

File Transfer Protocol (FTP)

MIB does not have an FTP site so provide the address of your company's secure Internet website and an account ID and password that MIB can use for access.

Mainframe Tape Cartridge

IBM standard label (MVS-compatible) tape cartridge
must be 3480- or 3490E-compatible
EBCDIC character set
Logical Record Size (LRECL) = 100
Physical Block Size (BLKSIZE) = 20000
Record Format (RECFM) = FB or fixed block
Data Set Name (DSN) = first eight letters of company
name

Contacts

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