

**Results and Recommendations
from the Society of Actuaries
Mortality Study Working Group (MSWG)**

**Presented by
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MSWG's Mission

- From 2002 membership survey: Mortality studies core contribution of SoA to actuarial profession and life industry
- MSWG formed in 2003
- Mission:
 - Re-evaluate scope and content of mortality experience studies
 - Develop fresh strategic perspective for long term

SOA's MSWG

- Cross-Section of Industry
 - Companies
 - Consultants
 - Regulators
 - Reinsurers
 - SoA Chairs and SoA Staff
 - Actuaries, Underwriters, and Medical Directors

MSWG's Findings

- Mortality studies bring fundamental value to life insurance industry, not obtained elsewhere
- Study process should be improved
 - Collection process
 - More contributors
 - Form of output
 - Speed of implementation
- Act quickly to implement recommendations
 - Three specific recommendations should be implemented as soon as possible
 - Annual Ordinary Study should become annual again!

MSWG's Recommendations

- Preferred Mortality Table
 - Design and develop new preferred mortality table to be used on an interim basis
- FIRST (Factor In Risk Selection Techniques) Mortality Study
 - Collect underwriting and other data to allow more useful and in-depth study of preferred mortality
- Data
 - Provide data on a more timely basis and in more relevant reports and formats

Preferred Mortality Table

- Speedy implementation of interim preferred table highly desirable
 - Start May/June 2004
 - Complete by end of 2005
- Steps
 - Identify volunteers for new Task Force
 - Use currently available data and techniques
- If successful, may do additional interim studies until FIRST Study is ready

FIRST Mortality Study

- FIRST data already implemented by 4 of 23 mortality study contributors
- FIRST contribution includes detailed lab and underwriting data
 - Permits more in-depth analysis of more variables
- Many companies not aware of FIRST, so will require education and take longer to implement
 - Need many years of data to build a mortality table
 - Can only go back to 1995 for most lab data
 - May be able to provide distributions to take advantage of early data

Data

- Need more companies contributing more data more quickly
- Should be easier to contribute today, despite limited resources
 - New technology available
 - Willingness of MIB to work with you on data submission
- Looking at new paradigm for mortality study output
 - Intent is to make data available to user for own use and analysis

Preliminary Results of Blast E-mail Survey of SoA Membership

- 25 responses as of 04/23/2004
- Generally favorable reaction to MSWG recommendations
 - Very positive response to interim study, a few suggestions
 - Positive response to FIRST study, but a few concerns
 - Not having desired data available electronically
 - Trying to do too much at once
- Overwhelming response – Do it!

Where are we now?

- Currently recruiting for Preferred Mortality Study Task Force
 - Chair: TBD
 - Actuaries, Underwriters, Medical Director, IT
 - First meeting: June 2004
- Recruiting also underway for Task Force on Enhancements to Life Experience Studies
 - Chair: Al Klein
 - Actuaries, Underwriters, Medical Directors, IT, Statisticians
 - First meeting: July 2004

Take Away Message

- Serious work has begun to improve the experience study process at the SoA
- **WE NEED YOUR HELP!**
 - If not already contributing, please begin to do so
 - We will work with you to enable you to do so
 - Help pass on our message, recruit others
 - Participate on a Task Force
 - Any additional suggestions, please send to:
 - Al Klein (al.klein@towersperrin.com) or
 - Narayan Shankar (NShankar@soa.org)
- If you are already contributing and/or participating:
THANK YOU!

Questions

