



SOCIETY OF
ACTUARIES®

2019 **ANNUAL
MEETING**
& EXHIBIT

October 27-30
Toronto, Canada

Session 008: Health Disability Special Interest Group Breakfast

[SOA Antitrust Compliance Guidelines](#)

[SOA Presentation Disclaimer](#)

Disability Special Interest Group Breakfast

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October 28, 2019



SOCIETY OF ACTUARIES

Antitrust Compliance Guidelines

Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants.

The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone's responsibility; however, please seek legal counsel if you have any questions or concerns.

Presentation Disclaimer

Presentations are intended for educational purposes only and do not replace independent professional judgment. Statements of fact and opinions expressed are those of the participants individually and, unless expressly stated to the contrary, are not the opinion or position of the Society of Actuaries, its cosponsors or its committees. The Society of Actuaries does not endorse or approve, and assumes no responsibility for, the content, accuracy or completeness of the information presented. Attendees should note that the sessions are audio-recorded and may be published in various media, including print, audio and video formats without further notice.

Agenda

- Update on Special Interest Group Activities
- Current SOA Disability Research
- Group Disability Profit and Market Trends
- Group Life Profit and Market Trends

Disability Special Interest Group Activities

- Disability and Group Life Sessions
- Mailing List
 - SOA Website -> Tools & Resources -> Listservs -> Public
 - <https://www.soa.org/News-and-Publications/Listservs/default.aspx>
 - Click [Disability Listserv](#) to mail to the group or disability.si@list.soa.org
 - [JOIN](#) / [LEAVE](#)
- Research Projects

SOA Research

- Individual Disability Experience Committee
- Group Disability Experience Committee
- Group Life Experience Committee
- LTD Credibility Research
 - <https://www.soa.org/resources/experience-studies/2019/group-ltd-credibility-stage-2/>
- Individual Life Disability Waiver Research

2018 U.S. Group Disability Market Survey

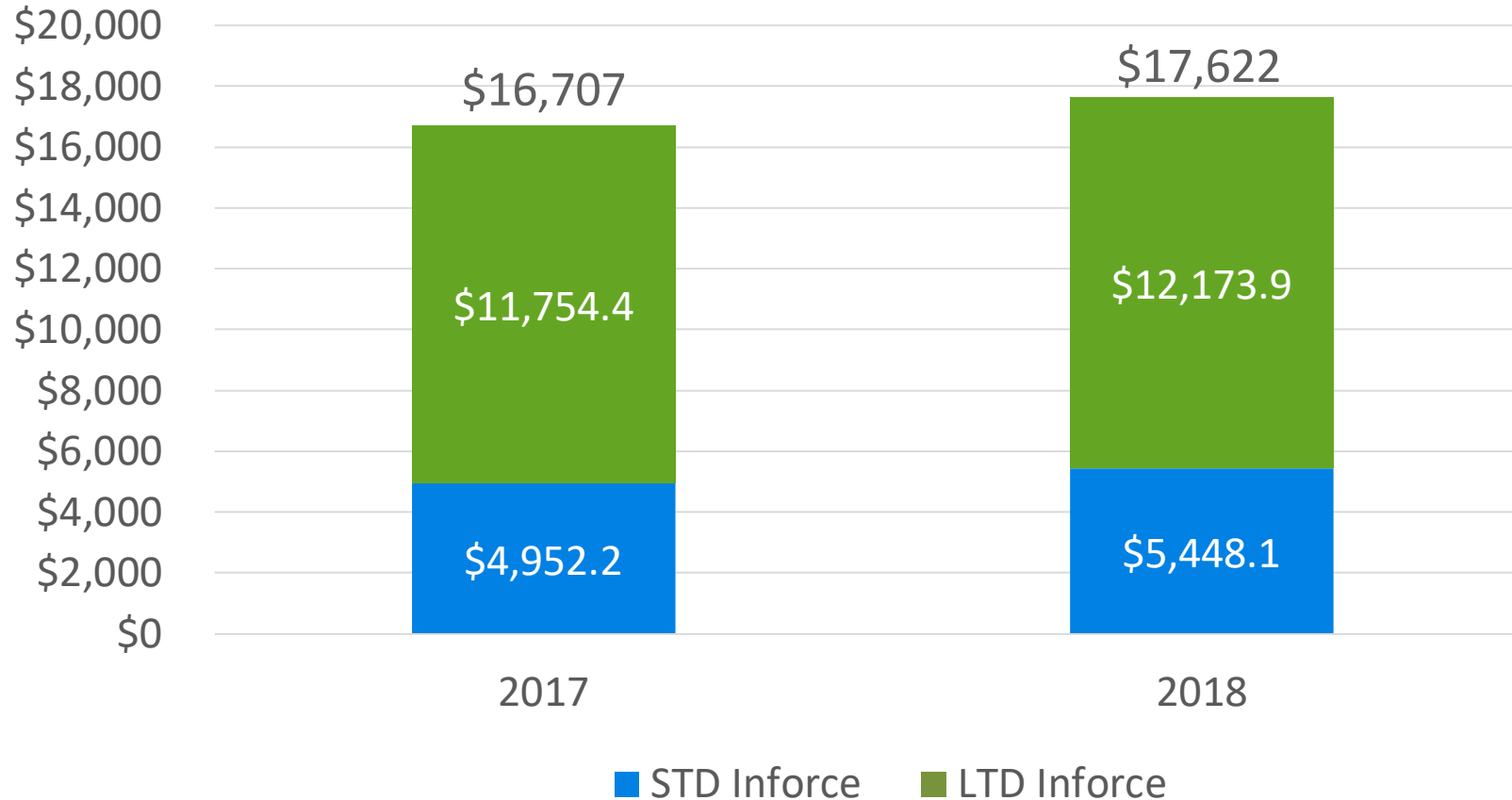


Contributors to 2018 U.S. Group Disability Market Survey

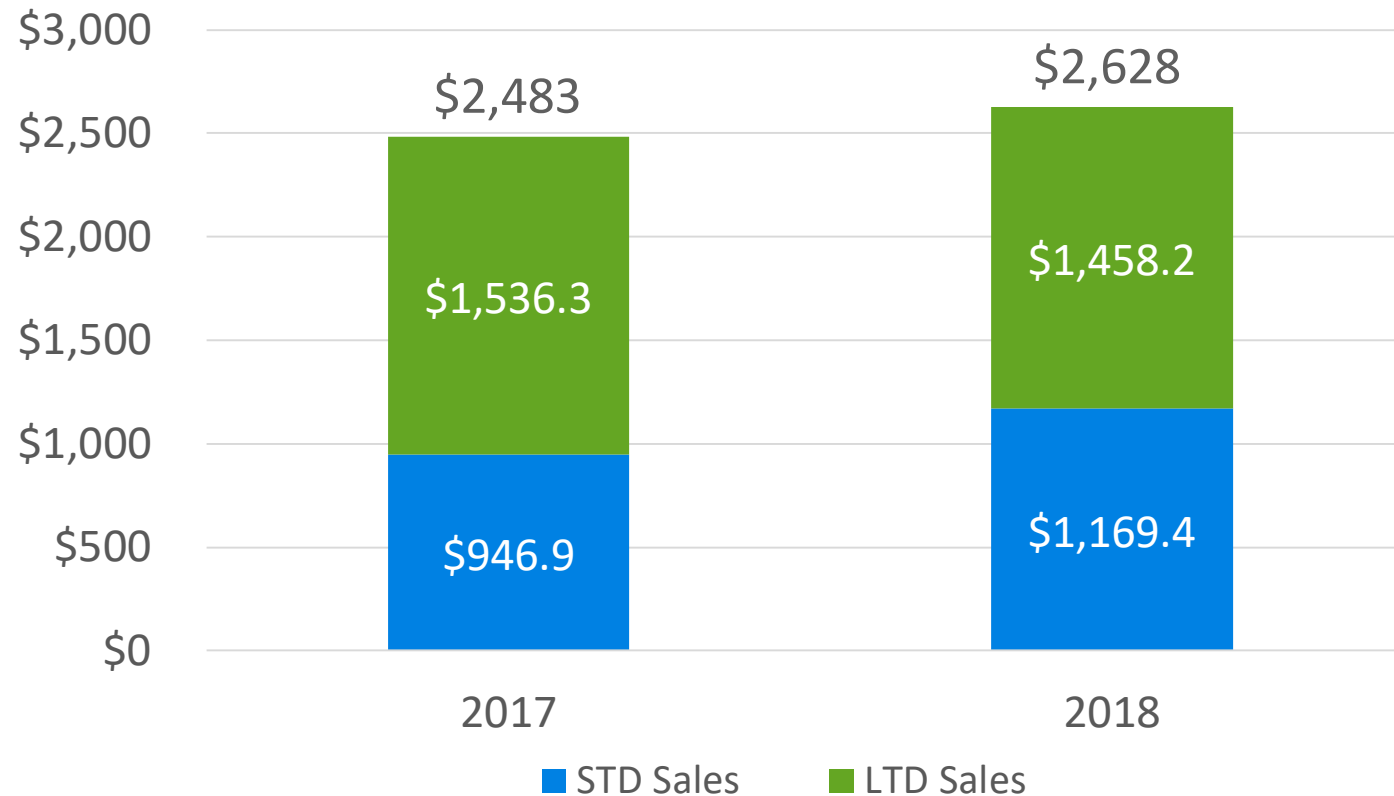
Anthem Inc
AXA
Cigna
Dearborn National
Guardian Life Insurance Company
The Hartford
Liberty Mutual
Lincoln Financial Group
MetLife
Mutual of Omaha
Northwestern Mutual
OneAmerica
Principal Financial Group

Prudential
Reliance Standard Life Insurance Company
The Standard
Sun Life Financial
Symetra
Trustmark Insurance
The Union Labor Life Insurance Company
UnitedHealthcare Specialty Benefits
Unum
USAble Life
Voya Financial
Zurich North America Life

Total Inforce Premium Among Contributing Companies from 2017 and 2018 (in \$ Millions)



Total New Sales Premium Among Contributing Companies from 2017 and 2018 (in \$ Millions)



Group Disability Growth Rates

STD	New Sales	Inforce
CASES	6.7%	0.3%
PREMIUM	23.5%	10.0%
LIVES	12.9%	11.1%

LTD	New Sales	Inforce
CASES	5.0%	0.4%
PREMIUM	-5.1%	3.6%
LIVES	-10.3%	2.6%

Recent Growth Rates in LTD and STD Premium

Segment	2016*	2017	2018
STD – Inforce	6.4%	6.0%	10.0%
STD – New Sales	12.0%	8.5%	23.5%
LTD – Inforce	5.1%	3.8%	3.6%
LTD – New Sales	14.9%	6.6%	-5.1%

* Slightly different contributors in 2016

2018 Group Disability Average Premium per Life

	Inforce PPL	Inforce PPL Growth	New Sales PPL	New Sales PPL Growth
STD	\$223	-1.0%	\$214	9.3%
LTD	\$271	1.0%	\$240	5.7%

Change in Premium in 2018

Employee-Paid vs. Employer-Paid

Segment	EE-Paid Only	ER-Paid	Total
STD - Inforce	15%	9%	11%
STD – New Sales	8%	34%	24%
LTD - Inforce	9%	1%	3%
LTD – New Sales	-12%	-1%	-4%

Summary

- The U.S. Group Disability Market experienced relatively strong inforce premium growth in 2018, especially in STD.
- STD also saw strong new sales growth in 2018. This may be primarily due to New York Paid Family leave. Total LTD new sales premium decreased in 2018.
- Average premium per life for new sales increased for both STD and LTD in 2018, while the average premium per life for inforce business changed only slightly.
- Inforce premium increased significantly faster for EE-paid business compared to ER-paid business.

Next Survey

- If your company didn't participate in the past and you would like to get involved, please contact Jay Effron at Milliman.
- Jacob.Effron@Milliman.com

Thank you

JENNIFER FLECK, FSA, MAAA

