

# TRANSACTIONS OF SOCIETY OF ACTUARIES 1995-96 REPORTS

## FOREWORD

This volume of the *TSA Reports* varies slightly from previous volumes. Volume XLVII (1995) of the *Transactions* was the last in that series. The *TSA Reports* will continue to present mortality and experience studies, task force reports, and industry studies. Beginning with this volume, the *TSA Reports* will also include the Presidential Address, Financial Reports, Obituaries, and any other studies deemed suitable.

Research papers will appear in the *TSA Reports* on occasion. This change is directly related to the introduction of the *North American Actuarial Journal* and the termination of the *Transactions of the Society of Actuaries* series. The *NAAJ* embodies a perceptible shift in emphasis from the *TSA*. To ensure that all research areas have a forum, both the *NAAJ* and the *TSA Reports* are available for publication of papers. The distinction between the two will be evolutionary, but one prognosis is:

- The large majority of papers will appear in the *NAAJ*.
- The *TSA Reports* might average one paper per volume.
- The *NAAJ* will offer faster dissemination and an academic bent.
- *TSA Reports* papers will relate to industry experience or practice.

The *TSA Reports* will rely on the *NAAJ* Editorial Board for acceptance of research papers. Authors of research papers should submit their work to the *NAAJ*, even if the *TSA Reports* appears to be the proper forum.

The first two papers to be published in the *TSA Reports* appear in this volume:

- “Specifications for Calculating Life Insurance Policy Reserves under Sections 5 and 8 of the NAIC Standard Valuation Law as Amplified by the Valuation of Life Insurance Policies Model Regulation” by Peter G. Hendee
- “Continuing Care Retirement Community Resident Mortality and Life Expectancies” by Harold L. Barney.

Included in the 1995–96 *TSA Reports* are the following reports of the Society of Actuaries experience committees:

- 1988–89 Individual Life Mortality Experience
- 1989–90 Individual Life Mortality Experience
- 1983–88 Mortality by Cause of Death
- 1991–92 Group Annuity Mortality Experience.

The following reports generated by various Society of Actuaries research activities are also included:

- “Dynamic Solvency Testing: Boundaries of Risk Definition Phase” by Donna R. Claire

- “Annuity 2000 Mortality Tables” by Robert J. Johansen
- “Plan Terminations in Ontario from 1988 to 1993” sponsored jointly by the Retirement Systems Research Committee of the Society of Actuaries and the Task Force on Pension Plan Coverage of the Canadian Institute of Actuaries
- Report of the Society of Actuaries Task Force on Preferred Underwriting
- “Mortality under Structured Settlement Annuities for 1990-93” by the Structured Settlements Valuation Task Force

In addition, the following reports of experience studies of interest to actuaries, prepared by the Canadian Institute of Actuaries, are included:

- Report on the Canadian Institute of Actuaries Group Mortality Study for the 1989 Experience Year
- “Mortality under Canadian Standard Ordinary Insurance Issues Studied between the 1991 and 1992 Aniversaries” Report of the Individual Life Section of the Committee on Expected Experience

We express our thanks to LIMRA, International for permitting us to reproduce the following studies of interest to actuaries, prepared by that organization:

- United States Lapses by Duration and Product Line: Long-Term Ordinary Lapse Survey
- Canadian Lapses by Duration and Product Line: Long-Term Ordinary Lapse Survey
- Universal Life Persistency Study (jointly sponsored by LIMRA and SOA)
- Annuity Persistency Study (jointly sponsored by LIMRA and SOA).

Discussions of all items are encouraged and may be submitted to the office of the Society of Actuaries. They will be published in the next available volume.

Experience studies usually represent an aggregation from several insurance companies or other sources. They should not be assumed to apply prospectively or to a specific company.

Historical experience may not be fully credible. Appropriate measures, such as amounts of exposures or claims, allow an actuary to determine the degree of credibility. Trends in experience between that reported here and in previously published reports should be viewed with caution.