



## **Frequently Asked Questions for the 2005-07 Data Call**

### **What does 2005-07 data represent? Is this one or two years?**

The 2005-2007 data represents a two year study. Companies may submit data using either

1. A policy year basis (policy years beginning in 2005 and ending in 2006 as well as for policy years beginning in 2006 and ending in 2007), or
2. A calendar year basis (2006 and 2007 data, as well as 2005 data if not submitted)

### **What format should be used for data submissions?**

You should use the data format that you have used in prior data submissions.

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

Most companies currently submit using the Minimal Mortality Data Contribution format. These 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 is the connection to the current Principles-Based Valuation effort?**

The 2002-04 and 2004-05 Individual Life Experience (ILEC) Data Calls supported the initial effort towards Principles-Based Valuation through the introduction of risk class rank to determine multiple preferred and standard mortality classes. The 2005-07 ILEC Data Call continues this effort to provide preferred and standard experience on an ongoing basis.

To meet the required deadlines, we need companies to contribute data by November 1, 2008.

It is likely that experience reporting will become mandatory as part of Principles-Based Reporting. Further information on this is available on the draft Valuation Manual Sections 50 and 51 that have been exposed by the NAIC. If this process becomes effective, there will no longer be a need for ongoing, separate SOA data calls.

More information on the draft valuation Manual is available at:

[http://www.naic.org/documents/committees\\_lhatf\\_VM-50.doc](http://www.naic.org/documents/committees_lhatf_VM-50.doc)

[http://www.naic.org/documents/committees\\_lhatf\\_VM-51.doc](http://www.naic.org/documents/committees_lhatf_VM-51.doc)

## **What about Data Security and Confidentiality?**

MIB Solutions 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 detailed individual company data or identifiable company results. As part of ongoing efforts to ensure accurate data, Society of Actuary volunteers that have agreed to confidentiality may review de-identified individual company distribution reports with limited information for parameters such as risk class or product. 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 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

## **What Are Risk Classes, How Are They Ranked, and Their Relation to Preferred Class Structure?**

Risk classes studied for preferred studies include classes ranging from the most preferred class through the standard/residual standard classes. Within each preferred class structure by smoking status, the risk class rank is "1" for the most preferred class and increases for each next best preferred class through the standard/residual standard class.

Preferred class structure varies by nonsmoker/non-tobacco user or smoker/tobacco user and contains two or more risk classes. A preferred class structure may be limited to certain issue ages, plan types and/or face amount ranges. Additionally, many companies have changed their preferred class structures over time. Further information about preferred class structure and the preferred class structure questionnaire is in the document 'Preferred Class Structure' on the CD provided with the Data Call or can be obtained from MIB by contacting Jan Palmbach, [jpalmbach@mib.com](mailto: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 2005-07 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 your 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 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. **Map to Standard Format** – The Map to Standard Format process harmonizes the data submitted from many companies in different formats into a standard format.
2. **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.
3. **Data Validation** – The Data Validation process does extensive syntax and validity checking to the data.
4. **Reasonability Analysis** – The Reasonability Checking develops initial pivot tables for individual companies to the first review of their data.
5. **Mortality Study** – The Mortality Study phase provides the ability to measure the experience against different mortality tables.
6. **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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