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ATTENTION NON-READERS

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For those whose tastes in literature do not run towards our yearly *TSA Reports Number*, the following are some helpful highlights of what you won't be reading.

The intercompany Standard Ordinary mortality ratios reported in this year's recently distributed *TSA Reports Number*, are lower than those reported in the prior year's Reports Number, in each of the three major categories of experience studied. (These categories are medical select issues nonmedical select issues, and combined ultimate issues). Furthermore, this year's Reports Number (labelled 1977 in gold letters) is the fourth consecutive Reports Number to indicate such an improvement.

In other words, our year-to-year intercompany mortality experience has been on a downhill toboggan slide going south the last few years. Comparing, for example, our 1975-76 mortality ratios for males and females combined (from the 1977 Reports Number) with our corresponding 1972-73 ratios, we find that over that three year period (1) our aggregate medical select ratio slid from 92.8% to 80.9%, (2) our aggregate nonmedical select ratio skidded from 102.2% to 88.5%, and (3) our combined ultimate ratio slipped from 93.8% to 85.0% (all based on the 1965-70 Intercompany Basic Tables, using the male table for male lives and the female table for female lives).

When our two select categories of data are further broken down into males and females, the generally declining year-to-year mortality ratios are as follows:

Mortality Ratios for the First 15 Policy Years of Experience, Based on the 1965-70 Intercompany Basic Tables

Year of Exposure	(By Amount of Insurance)			
	Select Male Medical Issues	Select Female Medical Issues	Select Male Nonmedical Issues	Select Female Nonmedical Issues
1972-73	91.7%*	108.2%*	102.0%*	103.9%*
1973-74	87.6	92.6	101.7	84.8
1974-75	84.5	92.5	98.8	75.9
1975-76	80.8	83.0	92.0	73.3

*Estimated

Incidentally, the July-September 1978 issue of Metropolitan Life's *Statistical Bulletin* conveniently backs up our overall reported downslide with the information that, based on preliminary life tables prepared by their Statistical Bureau, the longevity (at birth) for the total U.S. population is 2.3 years greater in 1977 than it was in 1969-71.

The above trends may also be viewed in the context of the long-term decline in mortality, some aspects of which are apparent in the Society's most recent quinquennial Mortality Trends Study (*TSA, 1976 Reports Number*, pages 21-36). The figures in that study are by attained age group going back in some instances as far as 1940, and are plotted on nine big graphs. Certain trends in population mortality are also shown, as are data from the Canadian Institute of Actuaries' intercompany studies.

The quinquennial intercompany study of *Experience by Cause of Death* under Standard Ordinary insurance was once again a casualty and was not published in the most recent *Reports Number*, because of computer problems. In time, however, these problems should be surmounted, and this "quinquennial" study might even make a surprise appearance next year.

The current 1977 *Reports Number* does contain the important study of intercompany *Experience under Accidental Death Benefit Provisions in Ordinary Insurance Policies Between 1970 and 1975 Anniversaries*. The overall finding is that our aggregate level of intercompany ADB mortality has increased by about one-sixth; that is, the ratio of the overall ADB experience (by amount) in this new study, to the results we would have expected based on the graduated experience by amount from our most recent (1951-56) prior intercompany ADB study, (*TSA 1958 Reports Number*) is 116%. When that same type of ratio is calculated for each attained age group separately, the ratio equals or exceeds 116% for attained ages 15 through 49, but is considerably less than 116% for each of the other attained age groups.

In the new study, the overall ADB mortality ratio for females in relation to that for males, is 41% by number of policies and 39% by amount of ADB. Also, the overall mortality ratio for "amounts of ADB coverage of \$100,000 and over" is more than double the overall mortality ratio for "amounts of ADB coverage of \$99,999 or less." The experience in the "\$100,000 and over" category is based on a relatively small amount of exposure and only 67 actual claims.

Also, for the six contributing companies (out of 15 for the entire study) which were able to separate their aggregate ADB experience contributions into the categories of "elective ADB coverage" and "automatic ADB coverage", the overall ADB mortality ratio by amount is 20 percentage points higher for the elective ADB coverage than for the automatically included ADB coverage, which suggests antiselection on the part of those policyholders who elect ADB.

Another interesting finding of this 1970-75 study is that the proportion of ADB paid claim amounts attributed to motor vehicle accidents, declined from about 54% in the 1970-73 exposure period to only about 46% in the 1973-75 exposure period. This decline reflects (presumably) the gasoline shortage and the reduction of speed limits.

In addition to these reports from your friendly Committee on Ordinary Insurance and Annuities, the 1977 Reports Number proudly presents the usual customary or quasi-customary reports of the Committee on Health Insurance (Individual), the Committee on Life and Health Insurance (Group), and the Committee on Aviation and Hazardous Sports.