



SOCIETY OF ACTUARIES

Article from:

The Actuary

February 1990 – Volume 24, No. 12

Agent Orange cont'd

claims and their distribution and thus to set the value of payment units before payments commenced, we felt an adequate sample would be available to estimate these variables.

The method of projecting claims after 1/1/89 was more traditional in that we directly modeled death claim incidence using population distributions and mortality rates. For disabilities we judged the incidence of the 1982 SOA Group LTD study with a six-month elimination period to be the best match with the court-determined definition of disability. Disability termination rates were based on the Krieger table.

The *Statistical Abstract of the United States* was used for the size and age distribution of the Vietnam veteran population as a whole, as well as for the racial composition, which was assumed to be the same as that of the general population. The population also was assumed to be entirely male.

The level of exposure to Agent Orange within the population was not estimated as such. The court separately had commissioned consultants to develop a model that, using military information and data supplied by claimants, determines the level of the individual's exposure. The consultants estimated from a sample of approximately 5,000 claimants that 90% of all claimants met the exposure criteria established by the court. With these assumptions, the model could estimate total "units" to be paid, and these were then used to determine the values for each unit.

Ongoing

The task of setting initial dollar values per unit was completed early this year. However, the process is ongoing. The analyses used to set these values must be periodically redone as new data become available. Increasingly, of course, the analysis shifts from projecting what will happen to merely incorporating what already has happened. The ultimate goal is to pay all eligible claims and exactly exhaust the fund at the end of the program.

Warren A. Shugars and Theodore P. Zachary are Actuary and Actuarial Associate, respectively, in the Employee Benefits Division of Ina Life Insurance Company.

Transactions papers – Review procedures, tips for authors

by James R. Thompson
and Klaus O. Shigley

This article explains the review procedures for papers submitted for publication in the *Transactions* and offers prospective authors tips to improve their chances of acceptance.

The review process begins when the author submits a paper to the Society office, where all indications of the author's identity are deleted. The article is then sent to the chairperson of the Committee on Papers.

The chairperson selects five persons to review the article. Although we try to select from permanent members of the Papers Committee, time constraints and lack of sufficient expertise sometimes dictate that we select appropriate reviewers from outside the committee. In the past, for example, the committee has had difficulty locating reviewers for pension papers and turned to a consulting house to find an appropriate reviewer.

Each reviewer subsequently submits an initial review, which includes:

- The reviewer's recommendation to accept, reject, or reject conditionally,
- A summary of the reviewer's opinions on the paper,
- A detailed comments section containing suggestions and/or disagreement with specific points raised in the author's text, and
- An opinion on whether the target audience is broad or narrow, general or technical.

Each reviewer also makes editorial suggestions. These suggestions do not affect the publication decision, but are helpful to the *Transactions* technical editor.

The individual reviews are then submitted to a lead reviewer, who produces a summary review reflecting the best elements of the individual reviews and representing the collective opinion to accept, reject or reject conditionally (resubmit with specific changes). The summary reviewer frequently uses conference calls to clarify comments of individual reviewers. Reviewers are free to change their

comments, to disagree with the summary review and to recommend changes. The summary review is then submitted to the chairperson.

The final decision to accept or reject an article requires a consensus of at least three reviewers and is expressed in writing. Notably, 33 of 35 reviews in a 12-month period studied (August to August) were unanimous or had only one dissent. The other two reviews were three-to-two splits – one article was accepted and the other rejected. This indicates a high degree of consensus among reviewers.

When the final decision has been reached, it is communicated to the Society office, which then communicates it to the author.

The entire process from submission to decision takes about four months. The average time for the initial review is 10 weeks. The summary review takes about five weeks. The total elapsed time for all submissions reflects several very long turnarounds due to business pressures.

There are three potential decisions: accept, reject, or reject with a recommendation to resubmit with specific changes. If an article is resubmitted after a conditional rejection, it will be reconsidered by the original reviewers.

Overall, about one-third of the articles are ultimately accepted. About half the initial rejections are conditional. Reasons for each rejection are given in the cover letter to the author.

Some articles are rejected because they are insubstantial; that is, they describe exercises routinely performed by actuaries in that field and not warranting publication in the *Transactions*. On the other hand, an acceptable article does not have to present original research. For example, we accept educational papers intended for less expert audiences, provided they are comprehensive.

Some articles are rejected because they appear disorganized or unclear. There also may be a judgment that

Continued on page 8 column 1

Individual disability income experience

by Sam Gutterman

The 1985-86-87 Reports to be distributed later in 1990 will include experience for individual disability income policies for their first benefit year beginning during 1984 and 1985. The data presented are similar to those in the 1983-84 study.

In the 1984-85 study, experience data were submitted on the basis of two occupation groupings: Group I, generally including professional and white-collar workers, and Group II, generally including blue-collar workers. The 1985 Commissioners Individual Disability Tables A (CIDA) includes data for four occupation groupings. The Individual Health Experience Committee hopes that, given sufficient contributions, the 1986-87 study will include an analysis of intercompany experience compared to this relatively recent table.

Analysis of claim cost trends, based upon the weighting (by age group and elimination period) of ratios of the claim costs for each period to the claim costs for the period of 1978 to 1985, indicates that female claim costs have increased over this period, claim costs for male Group II have decreased, and claim costs for male Group I have not shown any significant trend.

An early copy of this study may be obtained for \$15 from Mark

Doherty at the Society office. Discussions of this study or related experience are encouraged; please submit them to me at my *Yearbook* address. Also, companies interested in contributing to this study are encouraged to get in touch with me.

Sam Gutterman is Senior Manager and Consulting Actuary with Price Waterhouse. He is a member of the Society's Board of Governors. He chairs the Committee on Individual Health Insurance Experience and the overall Committee on Experience Studies.

RATIO OF WEIGHTED CLAIM COSTS TO WEIGHTED CLAIM COSTS OF 1978 to 1985			
Years	Male Occupation Group I	Male Occupation Group II	Female Occupation Group I
1978-79	0.997	1.048	0.986
1980-81	1.019	1.034	0.832
1982-83	0.949	0.984	1.022
1984-85	1.027	0.914	1.096

Transactions cont'd

the author has not communicated his concepts well for the target audience in question.

A conditionally rejected article always will be returned with suggestions for improvement. For example, an author may be asked to eliminate needlessly repetitive elementary examples or to include a practical example in a very theoretical paper. If the author complies on resubmission, the article usually is accepted. Furthermore, because the original reviewers are used, the author should not have to worry about being driven in opposite directions.

For any article, especially an educational article, a proper bibliography should be included. The committee has received many articles lacking a bibliography that treat topics covered in nonactuarial journals. Actuaries who write on such topics should cite references contained in other journals, even if such topics are new to the *Transactions*.

Because the *Transactions* is a general journal, it has many audiences. Thus, a judgment must be made on

the level of the paper's target reader. Any indication the author gives in the Abstract or Introduction is most helpful. Typical target audiences might be generalist actuaries, who want to learn the fundamentals, or experts, who are familiar with certain concepts not explained in the article.

Articles should not be exhaustingly long. The maximum length has never been objectively defined. In general, however, the longer the article, the more time it takes to review. There also is a greater likelihood of a conditional rejection.

One area of recurring concern is articles that apply mathematics to some data and then do not discuss the adequacy or accuracy of the data. This omission obviously impairs the credibility of any conclusions. Articles on mathematics are acceptable, but articles that attempt to solve some real actuarial problems with mathematical techniques must address the accuracy and applicability of the data.

Authors should know that the committee believes the target reader's

comprehension is enhanced by practical or numerical examples. The absence of examples may lead to a conditional rejection. Very long or very repetitive examples, however, are discouraged.

Writing a paper requires effort. The committee's objective is to have more papers published. To increase the chance of publication and speed up the review process, prospective authors should:

1. Read the standards for publication in the *Yearbook*.
2. Examine *Transactions* articles as a guide to standards.
3. Submit the article to a colleague for (confidential) review prior to submission.

The committee sincerely hopes that our handling of articles will help authors contribute to the body of knowledge of the actuarial profession.

Your comments are invited.

James R. Thompson is Associate Actuary at Federal Kemper Life Assurance Company. Klaus O. Shigley is Vice President at John Hancock Mutual Life Insurance Company. They are Chairperson and Vice Chairperson, respectively, of the Committee on Papers.