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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.

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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.