



Health Care  
Cost Trends

# COVID Impacts on Individual Disability Insurance Industry Based on 2022 Survey Results

JUNE | 2022



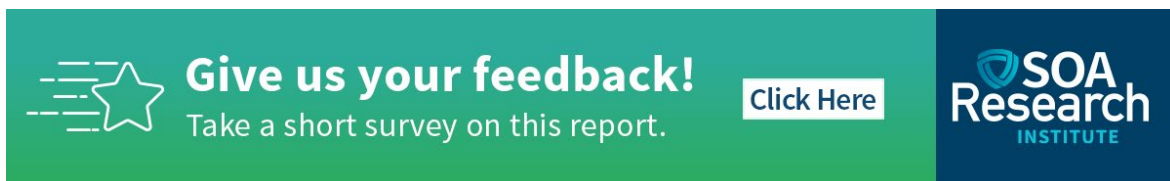
# COVID Impacts on Individual Disability Insurance Industry Based on 2022 Survey Results

**Authors** Jay Barriss, FSA, MAAA  
General Reinsurance

Laurie Fede, FSA, MAAA  
Mass Mutual

Tasha Kahn, Actuary, FSA, MAAA  
Milliman

**Sponsors** Individual Disability Experience  
Committee

A horizontal banner with a green-to-blue gradient background. On the left is a white star icon with horizontal lines extending from its left side. To the right of the star is the text "Give us your feedback!" in a bold, white, sans-serif font, followed by "Take a short survey on this report." in a smaller white font. Further right is a white rectangular button with the text "Click Here" in a blue, sans-serif font. On the far right of the banner is the SOA Research Institute logo, which consists of a blue shield icon and the text "SOA Research INSTITUTE" in white and blue.

#### **Caveat and Disclaimer**

The opinions expressed and conclusions reached by the authors are their own and do not represent any official position or opinion of the Society of Actuaries Research Institute, Society of Actuaries, or its members. The Society of Actuaries Research Institute makes no representation or warranty to the accuracy of the information.

Copyright © 2022 by the Society of Actuaries Research Institute. All rights reserved.

## CONTENTS

|   |           |
|---|-----------|
| <b>Section 1: Overview .....</b>  | <b>4</b>  |
| <b>1.1 Introduction .....</b>   | <b>4</b>  |
| <b>Section 2: Summary of Results .....</b>  | <b>5</b>  |
| <b>2.1 Claim Analytics .....</b>  | <b>5</b>  |
| <b>2.2 Experience Analysis for the Eight Contributing Companies .....</b>   | <b>6</b>  |
| 2.2.1 Active life mortality .....   | 6         |
| 2.2.2 Disability life mortality .....   | 6         |
| 2.2.3 Claim incidence rates .....   | 7         |
| 2.2.4 Policy lapsation.....   | 7         |
| <b>2.3 Open-Ended Questions .....</b>   | <b>7</b>  |
| 2.3.1 Group Employer Sponsored Plans (ERSP) compared to individually underwritten results .....                     | 7         |
| 2.3.2 Impact on medical vs. non-medical occupations .....   | 7         |
| 2.3.3 Contrast of early pandemic (March 2020 to March 2021) to later pandemic (April 2021 to date) experience ..... | 8         |
| 2.3.4 Reserve assumption impact due to COVID.....   | 8         |
| 2.3.5 Other diagnosis impacts due to COVID.....   | 8         |
| 2.3.6 Product changes due to pandemic .....   | 9         |
| 2.3.7 Other individual disability insurance impacts due to pandemic.....  | 9         |
| <b>2.4 Conclusions.....</b>   | <b>10</b> |
| <b>Section 3: Reliance and Limitations.....</b>   | <b>11</b> |
| <b>Section 4: Acknowledgements .....</b>  | <b>12</b> |
| <b>Section 5: List of Participating Companies.....</b>  | <b>13</b> |
| <b>Appendix A: Survey Questions .....</b>   | <b>14</b> |
| <b>About The Society of Actuaries Research Institute .....</b>  | <b>21</b> |

# COVID Impacts on Individual Disability Insurance Industry Based on 2022 Survey Results

## Section 1: Overview

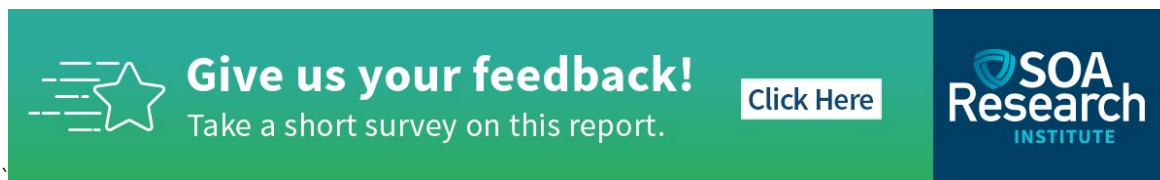
In 2022, the Society of Actuaries Research Institute's Individual Disability Experience Committee (IDEC) reached out to individual disability companies to request feedback about their experiences regarding the impact of COVID on their business. The survey covered Individual Disability Insurance (IDI) claims results observed, the impact to reserve assumptions and changes to risk management (both underwriting and claims). A copy of the survey questions appears in the Appendix.

The goal of the survey was to gain some high-level insight into how COVID has impacted IDI business. The survey was not intended to be a full experience study, but rather a brief directional view of key business metrics. With a full data call expected for the IDI industry in 2023, more detailed results of COVID may become available.

### 1.1 INTRODUCTION

The COVID epidemic began in March 2020 and, even today, continues to impact the United States and world. Several concerns pertinent to the disability business will be discussed in this report, including impacts on:

- Claim incidence rates
- Claim recovery and mortality rates
- Policyholder retention, both active life mortality and policy lapsation
- Morbidity experience in the medical occupations
- Ability to manage claims with remote workforces



**Give us your feedback!**  
Take a short survey on this report.

[Click Here](#)

**SOA**  
**Research**  
INSTITUTE

## Section 2: Summary of Results

Eight companies, including both direct writers and reinsurers, responded to the survey. Results have been aggregated to protect the survey respondents' anonymity. The report includes several quotes received by the contributing companies as well.

The report is segmented into several sections:

- Claim analytics – Including the percentage of COVID claims received, open and terminated for each calendar year
- Experience analysis – Observed results of active and disability lives
- Occupational observations – Differences seen between medical and non-medical blocks
- Reserve assumptions – How companies have reacted to assumption setting due to COVID impacts
- Risk management – Challenges presented by the pandemic to underwriting and claim functions

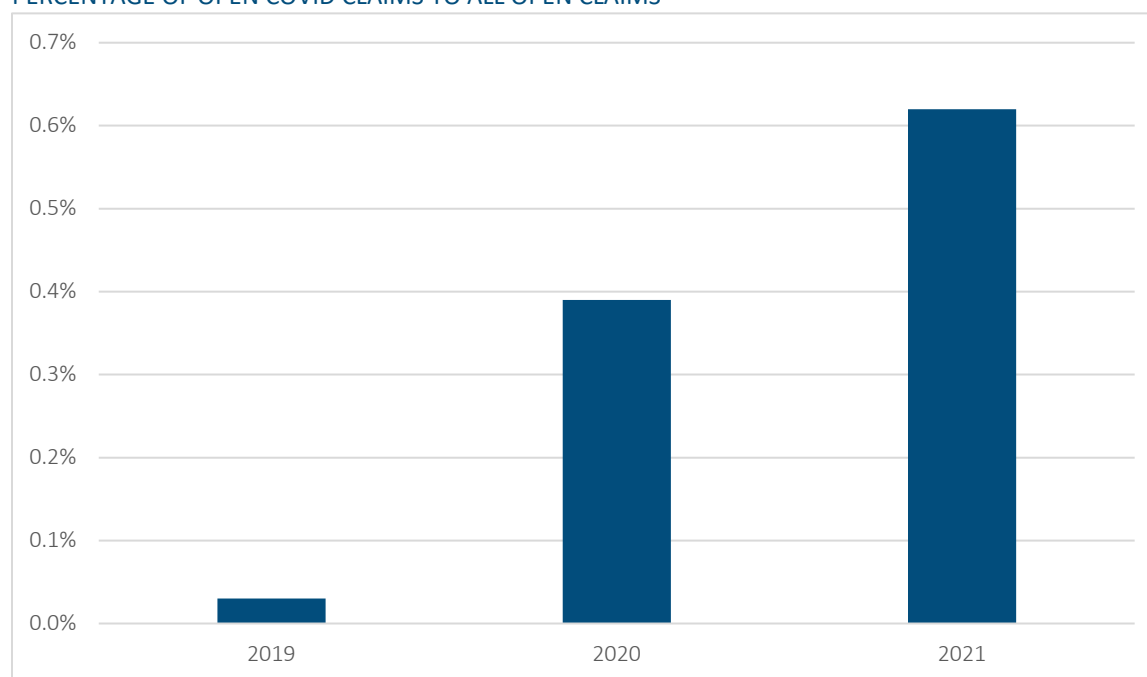
### 2.1 CLAIM ANALYTICS

The survey requested the number of COVID diagnosed claims (ICD10 = U07.1) by calendar year (2019, 2020 and 2021) for open, approved, and terminated claims.

As of December 31, 2021, only 233 COVID diagnosed claims were reported out of 37,369 open claims. Figure 2.1 shows the percentage of open COVID claims to all claims at each year-end.

**Figure 2.1**

#### PERCENTAGE OF OPEN COVID CLAIMS TO ALL OPEN CLAIMS

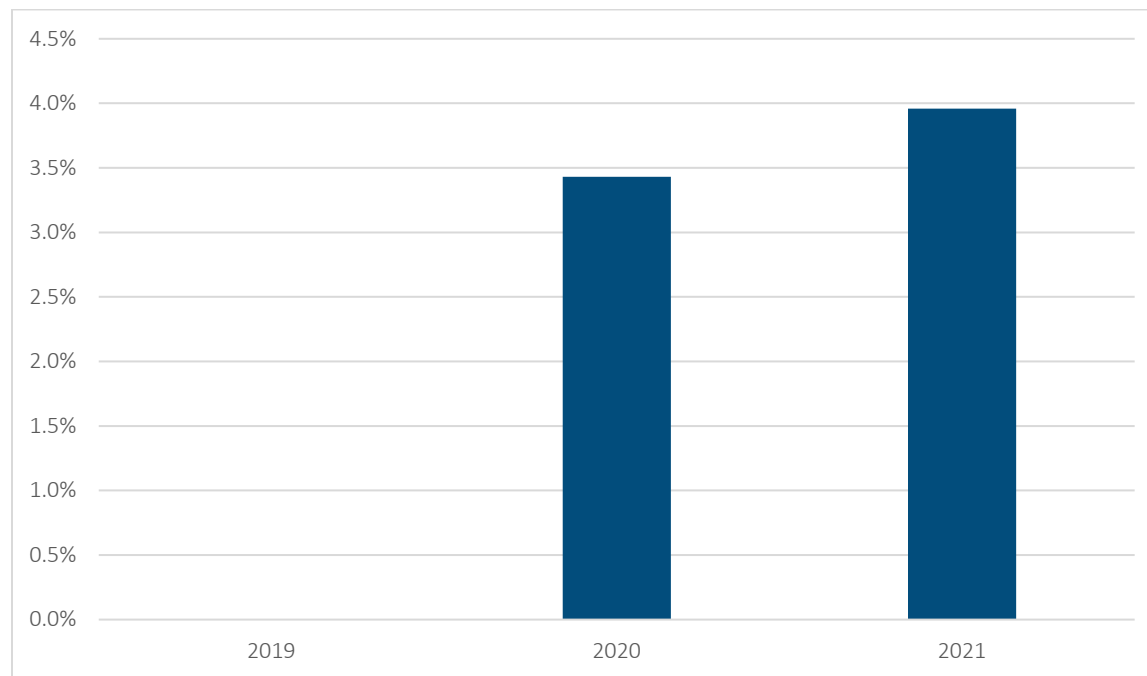


While the number of COVID claims has increased each year, the percentage of open claims that are COVID diagnosed is only 0.6%, or six per 1000 open claims.

There were 790 COVID diagnosed claims approved (met elimination period and were paid) over the course of the study period. This represents 2.51% of the over 31,000 new claims received by the contributing companies. Figure 2.2 shows the percentage of COVID diagnosed claims approved each calendar year.

**Figure 2.2**

**PERCENTAGE OF APPROVED NEW COVID CLAIMS TO ALL APPROVED NEW CLAIMS RATIO**



Very few COVID diagnosed claims were received in 2019. If the pandemic is thought to have begun in March 2020, the number of COVID claims received in January and February 2020 would have been expected to be low/negligible. If 2020 is assumed to have only ten months of COVID exposure, its annual rate would be similar to 2021's rate,  $(3.4\% / (10/12)) = 4.1\%$  versus the 4.0% observed in 2021).

Of the 790 COVID diagnosed claims received, 531 were closed by December 31, 2021. The closure rate is 67%, significantly higher than claim termination rates projected by the 2013 Individual Disability Income Valuation table (IDIVT). This high closure rate is indicative of high mortality and/or high recovery rates associated with the COVID diagnosis.

## 2.2 EXPERIENCE ANALYSIS FOR THE EIGHT CONTRIBUTING COMPANIES

### 2.2.1 ACTIVE LIFE MORTALITY

- Only one contributing company has conducted an active life mortality study.

### 2.2.2 DISABILITY LIFE MORTALITY

- Half of the contributing companies conducted disabled life mortality studies.
- Only one carrier noted any impact on disability life mortality due to COVID.

### 2.2.3 CLAIM INCIDENCE RATES

- Five companies conducted incidence studies. Three noted a decrease in incidence rates since the start of COVID. Two companies noted a 0-5% increase in incidence rates.
- Only three companies did an in-depth occupational analysis as part of their incidence studies. Those three companies each saw a decrease in white collar incidence rates.
- Unfortunately, only one company completed an incidence study involving diagnosis, so the committee was unable to assess mental nervous claim impact on IDI incidence with this data.

### 2.2.4 POLICY LAPSATION

- Only three carriers conducted policy lapse studies. To maintain confidentiality of the contributing companies (lack of ability to aggregate), the committee cannot discuss their results.

## 2.3 OPEN-ENDED QUESTIONS

### 2.3.1 GROUP EMPLOYER SPONSORED PLANS (ERSP) COMPARED TO INDIVIDUALLY UNDERWRITTEN RESULTS

For responding companies, there seemed to be a trend that ERSP policies performed better than individually underwritten policies. That may be due to larger employers offering remote work alternatives to their employees. The change in working environment reduced the spread of COVID and allowed for a larger spectrum of modified work options for employees. The high concentration of medical occupations may have increased incidence rates in individually underwritten policies.

Below are some of the comments received from contributing companies:

- *Individual medically underwritten claim experience has been higher during the pandemic than pre-pandemic. Group IDI experience has not changed.*
- *Individual had high claims early on due to dental offices closing down. Higher terminations. Group actually had good experience. We believe that people who had jobs were nervous of getting laid off. So people with borderline disabilities were less likely to go out on claim and risk losing their jobs.*

### 2.3.2 IMPACT ON MEDICAL VS. NON-MEDICAL OCCUPATIONS

Of the five responding companies, 80% noted increases in medical occupation incidence experience. Exposure to patients with COVID, increased working hours and associated stress may have contributed to higher medical incidence rates than observed pre-pandemic.

Below are some of the comments received from contributing companies:

- *The early negative morbidity experience was localized in the medical market. The non-medical market actually improved with lowered incidence rates. Once the vaccine came out we started to see medical market experience drop quickly back to normal levels over the next two quarters.*
- *Medical claim experience has been higher during the pandemic. Non-medical claim experience has been stable.*
- *In the few covid claims we did observe, ~80% of reported covid claims to date are from the medical occ class. Significantly higher than our portfolio mix.*
- *Our limited number of Covid claims tend to be more heavily weighted toward the medical segment versus the non-medical segment than one might expect given the exposures.*

### 2.3.3 CONTRAST OF EARLY PANDEMIC (MARCH 2020 TO MARCH 2021) TO LATER PANDEMIC (APRIL 2021 TO DATE) EXPERIENCE

Companies were asked to cite examples of early compared to later pandemic results. Early in the pandemic, unemployment was close to 15%<sup>1</sup>, mass remote work was a new corporate experience, and lockdowns were prevalent. Later in the pandemic, vaccination rates rose, businesses reopened with some health restrictions and the economic environment improved.

Some companies noted better experience later in the pandemic:

- *Calendar year 2020 experienced a 15% increase in new claim notices, primarily as a result of Covid-19 or Covid-19 related factors. The following year, in 2021, we saw a return to normal levels of claim notices. This change coincided with a 72% reduction of Covid-19 or Covid-19 related claim notices from the year before.*
- *The first 12 months after the start of the pandemic was the worst period of time for experience. The 1 year loss ratio for our medical business increased by 25% in that period, while our non-medical business decreased by approximately 10%. The peak in experience was in Q4 2020 to Q1 2021. By the end of 2021, our loss ratios were nearly back to pre pandemic levels.*
- *The first 12-month period showed adverse experience (increased incidence and lower terminations). The last 11-month period showed slightly favorable experience (normal incidence and higher terminations).*
- *While other companies saw no discernable differences in early compared to late pandemic experience.*
- *The 2021-2022 experience period morbidity A/E [Actual to Expected ratio] was slightly better than the prior period, but not materially so.*
- *We have seen some variation in experience, but it is questionable how much of it is due to Covid. Nothing has really stood out in terms of clear Covid impact on a larger scale.*

### 2.3.4 RESERVE ASSUMPTION IMPACT DUE TO COVID

Eighty-eight percent of the companies did NOT change any reserve assumptions due to the COVID pandemic. The only noted change was an increase in incurred by not reported reserves (IBNR) related to expected morbidity increases.

### 2.3.5 OTHER DIAGNOSIS IMPACTS DUE TO COVID

The survey asked if other diagnoses were impacted by the COVID pandemic. With reduced access to medical care, there were concerns that incidence rates might increase due to medical neglect or procedure deferral. Companies were also concerned that additional workplace stress, particularly in medical occupations, could lead to increased incidence. Only two companies noted incidence increases in other diagnoses.

---

<sup>1</sup> <https://data.bls.gov/timeseries/LNS14000000>



Some companies commented on non-COVID diagnoses impacts. Here are their responses:

- *We have seen a slight increase in claims for cancer or circulatory conditions during the post-covid era. It's difficult to know whether these might be the result of delayed cancer screenings or cardiac reactions as a result of stress or long covid.*
- *Some evidence of higher prevalence of respiratory, mental nervous, and pregnancy claims.*

Other companies noted no changes in other diagnosis experience. Here are their responses:

- *We were expecting to see more mental nervous claims, but that didn't materialize... yet.*
- *We have not observed any specific diagnoses that have exhibited a greater impact that may be attributed to COVID-19.*
- *No one clinical diagnosis has exhibited greater impact because of or due to COVID-19. We did however experience an increase in risk of disability claims because of potential exposure to Covid-19, for the period of 4/1/2020- 3/31/2021. Those risks being associated with existing autoimmune and respiratory co-morbidities.*

### 2.3.6 PRODUCT CHANGES DUE TO PANDEMIC

No company added riders, changed contract language, or updated rates because of the COVID pandemic.

### 2.3.7 OTHER INDIVIDUAL DISABILITY INSURANCE IMPACTS DUE TO PANDEMIC

The survey touched on the potential changes of business processes due to COVID. Questions targeted sales, underwriting practices and claim management impacts due to the pandemic. With increased remote work, would underwriting and claim management business processes suffer increased turnaround times and/or decreases in effectiveness? With reduced access to medical resources, would underwriting outcomes deteriorate? Would claims management prove to be more difficult and result in longer claim durations?

#### **Underwriting impact**

All but one company noted changes in their underwriting workflow. Over half noted relaxed underwriting requirements. Two companies noted increases in underwriting staff turnover. Only one company mentioned increased policy processing time.

#### **Claim management impact**

Only one company indicated that there were no changes to the claims management process. The table below shows the percentage of companies noting each claim function impacted.

| Claim Function  | Companies Noting Impact |
|---|-------------------------|
| Delays in APS responses   | 86%                     |
| Reduced claims surveillance                                     | 43%                     |
| Relaxed requirements for claim continuation                     | 43%                     |
| Relaxed requirements for claims approval                        | 29%                     |
| Concerns over privacy with increased work at home               | 14%                     |
| Delays in claims approval process                               | 14%                     |
| Examiner turnover   | 14%                     |
| Inability during pandemic to perform in-person field interviews | 14%                     |

Delays in receiving attending physician statements was the most identified claim function, probably due to the focus of medical professionals managing the influx of COVID patients and associated strain on the medical profession.

Companies were also asked how COVID diagnosed claim termination rates and claim duration compared to non-COVID claims. Forty percent noted COVID durations similar to non-COVID claims. Sixty percent noted COVID claims were shorter than non-COVID claims. The lower duration was most likely due to higher claim recoveries and higher mortality observed with the COVID diagnosis.

Here are some highlights of claim management impacts listed by contributing companies:

- *Access to elective procedures, physical therapy and specialists was limited delaying procedures, second opinions, non-emergent interventions. This all contributed to longer times on claim. We are still seeing significant delays accessing specialty care.*  
*Much more care was virtual which limited detailed physical exams and our ability to assess the severity of clinical exam findings and changes over time.*
- *Initially some claims were lengthened due to medical services not being available.*
- *Difficulty with face-to-face claim management, lack of connection to workplace with work-from-home.*

## 2.4 CONCLUSIONS

COVID had far reaching impacts on the insurance community. However, most of that impact seems to have been contained in the medical and mortality products, i.e., medical and life insurance products, and in the group short-term disability products, where elimination periods are much shorter. While certainly affected by the COVID pandemic, the IDI industry's impact was less profound.

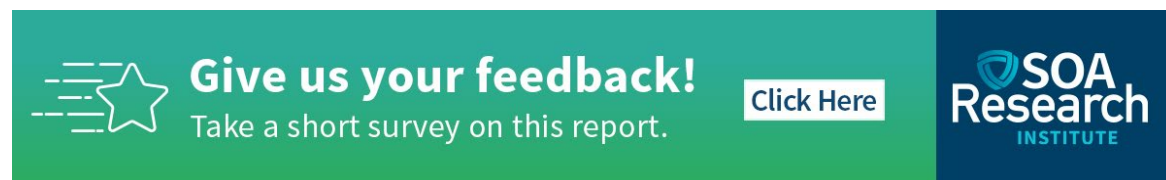
Despite high unemployment, limited access to medical care, and a shift to remote work, COVID's impact on the IDI business was fairly muted. Early in the pandemic, because of the high medical occupation concentration in IDI blocks, IDI companies were concerned about increased incidence. While some carriers did note deterioration in their medical blocks, the surveyed companies reported only 3.6% of claims approved in 2020 and 2021 due to a COVID diagnosis. The industry was also concerned about long-COVID claims extending claim durations. Based on COVID claims submitted, 67% had closed as of 12/31/2021. This termination rate is much higher than the non-COVID claims' closure rate.


Perhaps it is just too early to tell what the long-term impacts of COVID will be on the IDI business but, in the short term, few, if any, companies have responded to COVID through product changes and/or reserve assumption updates.

### Section 3: Reliance and Limitations


No assessment has been made concerning the applicability of this experience to other purposes. In developing this report, the SOA relied on data and information supplied by the participating companies. For each participant, this information includes, but is not limited to, the data submissions for policy experience and the responses to follow-up questions.

The results in this report are technical in nature and dependent on certain assumptions and methods. No party should rely on these results without a thorough understanding of those assumptions and methods. Such an understanding may require consultation with qualified professionals. This report should be distributed and reviewed only in its entirety.



 **Give us your feedback!**  
Take a short survey on this report.

[Click Here](#)



## Section 4: Acknowledgements

The authors' deepest gratitude goes to those without whose efforts this project could not have come to fruition: the Individual Disability Experience Committee and others for their diligent work in reviewing and editing this report for accuracy and relevance.

### **Individual Disability Experience Committee:**

Jay A. Barriss\*, (Chair), FSA, MAAA

Laurie J. Fede\*, (Co-Vice Chair), FSA, MAAA

Tasha S. Khan, (Co-Vice Chair), FSA, MAAA

Viresh G. Bawa, FSA, CERA

Robert W. Beal, FSA, MAAA

Jordan E. Cadorette, FSA

Thomas R. Corcoran, FSA, MAAA, CERA

Margaret Cormier\*, FSA, MAAA

Anju Gupta-Lavey, FSA, MAAA

Derrick F. Haddad\*, FSA, MAAA, CERA

Charles P. Herman, FSA, MAAA

Mitchell Huppenbauer\*, FSA, MAAA

Chris Keffalos, ASA, MAAA

Tracy K. Koch\*, FSA, MAAA

Christopher J. Kozol\*, ASA

Maureen A. Shaughnessy, FSA, MAAA

Daniel D. Sim\*, FSA, MAAA

Aaron M. Stoeger, FSA, MAAA

Paul G. Ziobrowski, FSA, MAAA

**\*employee of contributing company**

### **At the Society of Actuaries Research Institute:**

Korrel Crawford, Senior Research Administrator

Cindy MacDonald, FSA, MAAA, Senior Director, Experience Studies

## Section 5: List of Participating Companies

Gen Re  
Guardian Life Insurance  
Illinois Mutual Life Insurance Company  
MassMutual  
Monarch Life  
Northwestern Mutual  
Principal Life  
Swiss Reinsurance  
The Standard

## Appendix A: Survey Questions

1. What was the number of your open COVID-19 (ICD10 = U07.1) and non-COVID-19 claims that met the elimination period, as of:

| <b>as of:</b>         | <b>12/31/2019</b> | <b>12/31/2020</b> | <b>12/31/2021</b> |
|-----------------------|-------------------|-------------------|-------------------|
| <b>Cause Of Death</b> |                   |                   |                   |
| <b>COVID-19</b>       |                   |                   |                   |
| <b>Non-COVID-19</b>   |                   |                   |                   |

2. How many new COVID-19 (ICD10 = U07.1) and non-COVID-19 claims did you have in:

| <b>Calendar Year</b>  | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|-----------------------|-------------|-------------|-------------|
| <b>Cause Of Death</b> |             |             |             |
| <b>COVID-19</b>       |             |             |             |
| <b>Non-COVID-19</b>   |             |             |             |

3. How many COVID-19 and non-COVID-19 claims closed in:

| <b>Calendar Year</b>  | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|-----------------------|-------------|-------------|-------------|
| <b>Cause Of Death</b> |             |             |             |
| <b>COVID-19</b>       |             |             |             |
| <b>Non-COVID-19</b>   |             |             |             |

4. In the emerging Individual Disability Income (IDI) **active life mortality** experience since the onset of COVID-19 (4/1/2020 – 2/28/2022), what have you observed relative to your expectation for the block absent COVID-19?

For example, actual active life mortality since COVID-19 of 90% of the expected active life mortality for the block is a 10% decrease (multiplicatively) in active life mortality experience.

Select the response that best describes your company’s experience in aggregate and for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

|                        | Decrease greater than 10% | Decrease between 5% and 10% | Decrease between 0% and 5% | Increase between 0% and 5% | Increase between 5% and 10% | Increase greater than 10% | No observed impact | Data is not yet available to study impact | Not Studied |
|------------------------|---------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|---------------------------|--------------------|---|-------------|
| <b>Total/Aggregate</b> |                           |                             |                            |                            |                             |                           |                    |   |             |
| <b>Gender</b>          |                           |                             |                            |                            |                             |                           |                    |   |             |
| Male                   |                           |                             |                            |                            |                             |                           |                    |   |             |
| Female                 |                           |                             |                            |                            |                             |                           |                    |   |             |
| <b>Attained Age</b>    |                           |                             |                            |                            |                             |                           |                    |   |             |
| <40                    |                           |                             |                            |                            |                             |                           |                    |   |             |
| 40-49                  |                           |                             |                            |                            |                             |                           |                    |   |             |
| 50-59                  |                           |                             |                            |                            |                             |                           |                    |   |             |
| 60-64                  |                           |                             |                            |                            |                             |                           |                    |   |             |
| 65+                    |                           |                             |                            |                            |                             |                           |                    |   |             |

5. In the emerging IDI **disabled life mortality** experience since the onset of COVID-19 (4/1/2020 – 2/28/2022), what have you observed relative to your expectation for the block absent COVID-19?

For example, actual disabled life mortality since COVID-19 of 90% of the expected disabled life mortality for the block is a 10% decrease (multiplicatively) in disabled life mortality experience.

Select the response that best describes your company’s experience in aggregate and for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

|                        | Decrease greater than 10% | Decrease between 5% and 10% | Decrease between 0% and 5% | Increase between 0% and 5% | Increase between 5% and 10% | Increase greater than 10% | No observed impact | Data is not yet available to study impact | Not Studied |
|------------------------|---------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|---------------------------|--------------------|---|-------------|
| <b>Total/Aggregate</b> |                           |                             |                            |                            |                             |                           |                    |   |             |
| <b>Gender</b>          |                           |                             |                            |                            |                             |                           |                    |   |             |
| Male                   |                           |                             |                            |                            |                             |                           |                    |   |             |
| Female                 |                           |                             |                            |                            |                             |                           |                    |   |             |
| <b>Attained Age</b>    |                           |                             |                            |                            |                             |                           |                    |   |             |
| <50                    |                           |                             |                            |                            |                             |                           |                    |   |             |
| 50-59                  |                           |                             |                            |                            |                             |                           |                    |   |             |
| 60-69                  |                           |                             |                            |                            |                             |                           |                    |   |             |
| 70+                    |                           |                             |                            |                            |                             |                           |                    |   |             |



6. In the emerging IDI **claim incidence** experience since the onset of COVID-19 (4/1/2020 – 2/28/2022), what have you observed relative to your expectation for the block absent COVID-19?

For example, actual claim incidence since COVID-19 of 85% of the expected claim incidence for the block is a 15% decrease (multiplicatively) in claim incidence experience.

Select the response that best describes your company’s experience in aggregate and for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

|                        | Decrease greater than 10% | Decrease between 5% and 10% | Decrease between 0% and 5% | Increase between 0% and 5% | Increase between 5% and 10% | Increase greater than 10% | No observed impact | Data is not yet available to study impact | Not Studied |
|------------------------|---------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|---------------------------|--------------------|---|-------------|
| <b>Total/Aggregate</b> |                           |                             |                            |                            |                             |                           |                    |   |             |
| <b>Gender</b>          |                           |                             |                            |                            |                             |                           |                    |   |             |
| Male                   |                           |                             |                            |                            |                             |                           |                    |   |             |
| Female                 |                           |                             |                            |                            |                             |                           |                    |   |             |
| <b>Occupation</b>      |                           |                             |                            |                            |                             |                           |                    |   |             |
| White Collar           |                           |                             |                            |                            |                             |                           |                    |   |             |
| Blue Collar            |                           |                             |                            |                            |                             |                           |                    |   |             |
| Medical                |                           |                             |                            |                            |                             |                           |                    |   |             |
| <b>Diagnosis</b>       |                           |                             |                            |                            |                             |                           |                    |   |             |
| Mental Nervous         |                           |                             |                            |                            |                             |                           |                    |   |             |
| All Other              |                           |                             |                            |                            |                             |                           |                    |   |             |

7. In the emerging IDI **voluntary lapse** experience since the onset of COVID-19 (4/1/2020 – 2/28/2022), what have you observed relative to your expectation for the block absent COVID-19? The expectation for the block should consider the impact of rate increases implemented.

For example, actual voluntary lapse rates since COVID-19 of 0.50% compared to an expected voluntary lapse rate of 0.60% for the block is a 10 basis point decrease in voluntary lapse experience.

Select the response that best describes your company’s experience in aggregate and for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

|                        | Decrease greater than 50 basis points | Decrease between 25 and 50 basis points | Decrease between 0 and 25 basis points | Increase between 0 and 25 basis points | Increase between 25 and 50 basis points | Increase greater than 50 basis points | No observed impact | Data is not yet available to study impact | Not Studied |
|------------------------|---------------------------------------|---|--|--|---|---------------------------------------|--------------------|---|-------------|
| <b>Total/Aggregate</b> |                                       |   |  |  |   |                                       |                    |   |             |
| <b>Marketing Site</b>  |                                       |   |  |  |   |                                       |                    |   |             |
| Individual             |                                       |   |  |  |   |                                       |                    |   |             |
| Group/Worksite         |                                       |   |  |  |   |                                       |                    |   |             |
| <b>Occupation</b>      |                                       |   |  |  |   |                                       |                    |   |             |
| White Collar           |                                       |   |  |  |   |                                       |                    |   |             |
| Blue Collar            |                                       |   |  |  |   |                                       |                    |   |             |
| Medical                |                                       |   |  |  |   |                                       |                    |   |             |

8. How much of your business is individual versus group/worksite business (based on annualized premium with total summing to 100%)? For purposes of this question and question 8, “group business” means employer group business, and not association or group trust business or similar.
- Individual
  - Group/worksite
9. Please describe any variations between individual and group/worksite experience that your company has observed as it relates to the COVID-19 pandemic.
10. Please describe any variations between medical and non-medical experience that your company has observed as it relates to the COVID-19 pandemic.
11. Please describe any variations in experience that your company has observed in either mortality or claim experience from the first 12 months of the experience period (4/1/2020 – 3/31/2021) compared to the last 6 month of the experience period (4/1/2021 – 2/28/2022). Please be as specific as possible about trends observed in experience (e.g., initially claims were 10% lower but have now moderated to the expected level).

12. If you ignored any impact from interest rate changes, how have your (active or disabled life reserves) been impacted as a result of COVID-19?
- Increased from changes in valuation assumptions due to COVID-19
  - Decreased from changes in valuation assumptions due to COVID-19
  - Have not changed valuation assumptions due to COVID-19
  - Not sure/don't know
13. If COVID-19 impacted reserves, what was the cause? (select all that apply)
- Active Mortality
  - Disabled Mortality
  - Lapse
  - Morbidity
  - COVID-19 did not have an impact
  - Not sure/don't know
14. How have your claim reserves been impacted by assumption changes due to COVID-19?
- Increased
  - Decreased
  - No impact
  - Not sure/don't know
15. Which claim reserves, if any, were impacted by assumption changes due to COVID-19? (select all that apply)
- Incurred but not reported (IBNR)
  - Disabled life reserves (DLR)
  - In course of settlement (ICOS)
  - None
  - Not sure/don't know
16. Please describe any specific diagnoses that have exhibited a greater impact which you believe may be attributed to COVID-19. For example, COVID-19 related claim termination experience varying for mental and non-mental diagnoses.
17. Did you make any product offering changes due to COVID-19?
- Yes
  - No
  - Not sure/don't know
18. How has COVID-19 impacted the underwriting of your IDI business? Please check all that apply.
- Relaxed underwriting requirement
  - Saw increase in number of new applications
  - Saw increase in FIO exercises
  - Delays in policy processing
  - Changes in wastage rates
  - Underwriter turnover
  - No impact
  - Not sure/don't know

19. How has COVID-19 impacted the claim adjudication of your IDI business? Please check all that apply.

- Relaxed requirement for claims approval
- Relaxed requirements for claim continuation
- Delays in APS responses
- Reduced claims surveillance
- Delays in claims approval process
- Examiner turnover
- Concerns over privacy with increased work at home
- No impact
- Not sure/don't know

20. If your company has had COVID-19 claims, are COVID claims terminating

- Higher than non-COVID claims
- Similar to non-COVID claims
- Lower than non-COVID claims
- Don't measure
- No COVID claims have been observed
- Not sure/don't know



**Give us your feedback!**

Take a short survey on this report.

[Click Here](#)

 **SOA**  
**Research**  
INSTITUTE

## About The Society of Actuaries Research Institute

Serving as the research arm of the Society of Actuaries (SOA), the SOA Research Institute provides objective, data-driven research bringing together tried and true practices and future-focused approaches to address societal challenges and your business needs. The Institute provides trusted knowledge, extensive experience, and new technologies to help effectively identify, predict and manage risks.

Representing the thousands of actuaries who help conduct critical research, the SOA Research Institute provides clarity and solutions on risks and societal challenges. The Institute connects actuaries, academics, employers, the insurance industry, regulators, research partners, foundations and research institutions, sponsors, and non-governmental organizations, building an effective network which provides support, knowledge, and expertise regarding the management of risk to benefit the industry and the public.

Managed by experienced actuaries and research experts from a broad range of industries, the SOA Research Institute creates, funds, develops and distributes research to elevate actuaries as leaders in measuring and managing risk. These efforts include studies, essay collections, webcasts, research papers, survey reports, and original research on topics impacting society.

Harnessing its peer-reviewed research, leading-edge technologies, new data tools and innovative practices, the Institute seeks to understand the underlying causes of risk and the possible outcomes. The Institute develops objective research spanning a variety of topics with its [strategic research programs](#): aging and retirement; actuarial innovation and technology; mortality and longevity; diversity, equity and inclusion; health care cost trends; and catastrophe and climate risk. The Institute has a large volume of [topical research available](#), including an expanding collection of international and market-specific research, experience studies, models, and timely research.

Society of Actuaries Research Institute  
475 N. Martingale Road, Suite 600  
Schaumburg, Illinois 60173  
[www.SOA.org](http://www.SOA.org)