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Financial Reporting Research Update

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Research is a primary mission of the Financial Reporting Section and a significant use of our section dues revenue. Here is an update, as of July 2020, on projects in process and those recently completed.

CURRENTLY IN PROCESS

“Mortality by Socioeconomic Category in the United States.” The purpose of this study is to construct a set of life tables for groups of counties based on their relative socioeconomic position. This is entering the late stages as preliminary results are currently being reviewed.

“Mortality Improvement Trend Analysis.” This research examines the key drivers of mortality improvement and how they vary. Work has yet to begin on the project, as the data set to be used in the study has not been released.

RECENTLY COMPLETED

“Living to 100.” This research initiative focuses on aging—increases in survival rates and the resulting increase in aging populations—together with its implications to social, financial, retirement and health care systems. It involves a symposium which was held in January and generates a lasting body of research to educate and aid individuals and policymakers in addressing the potential needs and services of the future advanced-age populations. Recordings of the sessions and research papers presented at the event are now available in an online monograph. <https://www.soa.org/resources/essays-monographs/2020-living-to-100/>

“Delphi Study of Economic Variables.” This study uses a Delphi Study framework to gather insights on the thought processes experts employ to estimate future values of economic variables. <https://www.soa.org/resources/research-reports/2020/real-time-delphi-study/>



“Simplified Methods for Principle-Based Reserve Calculations.” This project investigates a simplified approach for determining principle-based reserves. <https://www.soa.org/resources/research-reports/2020/simplified-methods/>

“Macroeconomics-Based Economic Scenario Generation.” This project intends to find a practical way to improve economic scenario generators by studying the causes of economic development, economic volatility and capital market volatility. <https://www.soa.org/resources/research-reports/2020/macroeconomics-based-esg/>

“Simplified Issue Underwriting.” This research explores the application of simplified issue underwriting in the life insurance industry. Among the areas studied are the definition, developments, characteristics, challenges, current practices, assumptions and data elements for simplified underwriting. <https://www.soa.org/resources/research-reports/2020/simplified-issue-underwriting/>

“Modeling and Forecasting Cause-of-Death Mortality.” This study develops mortality projection models and produces cause-of-death mortality forecasts. <https://www.soa.org/resources/research-reports/2019/cod-mortality-forecasting>

“The Application of Credibility Theory in the Canadian Life Insurance Industry.” This survey of credibility practices of Canadian life insurers compares and contrasts credibility methods used by the companies. The Financial Reporting Section

contributed to the funding for this project. <https://www.soa.org/resources/research-reports/2019/application-credibility-theory/>

“A Machine Learning Approach to Incorporating Industry Mortality Table Features in Mortality Analysis.” This research applies a machine learning approach that enables a practicing actuary to incorporate key industry mortality table features into insured mortality analysis. <https://www.soa.org/resources/research-reports/2019/2019-machine-learning-approach/>

“The Use of Predictive Analytics in the Canadian Life Insurance Industry.” This project surveys Canadian life insurers on the use of predictive analytics in practice. The Financial Reporting Section contributed to the funding for this project. <https://www.soa.org/resources/research-reports/2019/predictive-analytics-canadian-life-insurance/>

REQUEST FOR RESEARCH PROPOSALS

Do you have an idea for a research topic you would like to see the Financial Reporting Section consider for funding? If so, we want to hear from you! For more information, please contact Mark Walker or Ronora Stryker. ■



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