



SOCIETY OF ACTUARIES

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RESEARCH CORNER

Finance news

Significant developments have occurred since the conference "Fair Value of Insurance Liabilities" was held in December 1995. The SOA, in conjunction with New York University, has scheduled a follow-up conference, "Fair Value of Insurance Business," for March 18-19, 1999, in New York City. The goals are to extend and update the body of knowledge from the first conference; highlight similarities in various theoretical developments; and work towards resolution of differences and implementation issues. The conference is designed to encourage fair valuation efforts that consider insurance business as an integrated whole. A call for papers is posted on the SOA Web site (www.soa.org; go to *Research*); the deadline for submitting papers is Oct. 30.

The prize winners for the 100-Year Term Structure of Interest Rates call for papers are Jacques Carriere for "Long-Term Yield Rates for Actuarial Valuations" and Yong Yao for "Term Structure Models: A Perspective from the Long Rate." Both authors received a prize of \$3,000, sponsored by the Investment Section. The papers will be published in the *North American Actuarial Journal*. Advance copies can be ordered for \$5 from the SOA Books Department (phone: 847/706-3526; fax: 847/706-3599; e-mail: bhaynes@soa.org). Yao's paper is available through the Research Library on the SOA Web site (www.soa.org under *Library* and then *Research*).

Life news

A research project on gender-based mortality differences is underway. The objective is to prepare a statement reflecting current clinical and insurance data regarding the mortality differences associated with gender and to investi-

gate whether there is a biological basis for the observed differences in mortality. Results are expected to be available in the first quarter of 1999.

New list server

The SOA Education and Research Section Council has established a moderated list server. The purpose is to facilitate communication — sharing ideas and distributing timely messages — among the members of the Education and Research Section and the academic community.

To register, hit the "Join" button on the *Education and Research Section* page of the SOA Web site (www.soa.org).

Messages for distribution must be submitted to one of the list server's moderators: Curtis Huntington, Section chair, who can be reached at his *Directory* address, or Judy Yore, staff liaison to the Section, at the SOA office (phone: 847/706-3573; fax: 847/706-3599; e-mail: jyore@soa.org). Actuarial Research Conference Mark your calendars for the 34th Actuarial Research Conference, scheduled for Aug. 8-11, 1999, in Des Moines, Iowa. The theme of the conference, jointly sponsored by Drake University and The Principal Financial Group, is building bridges between theory and practice.

Ph.D. grants awarded

The Ph.D. Grants Task Force received 12 applications from new candidates and four applications from renewal candidates for the 1998-99 Ph.D. grants competition.

The Task Force awarded three new grants and three renewal grants. New grants were awarded to Kevin Ahlgrim, University of Illinois, for the project "Consolidating Risks in the Asset/Liability Management Process of Life Insurers"; Christiane Lemieux, University of Montreal, "Improving the Efficiency of Estimators in Simulation"; and Serena Ee Ik Tiong, University of Iowa, "Deferred Annuities." Renewal grants were awarded to Barbara Remmers, New York University, "Valuation Model for Catastrophe Insurance Options"; Krupa Subramanian, University of

Pennsylvania, "Competing Merit-Rating Systems in Automobile Insurance" (funded by the CAS); and Julia Lynn Wirch, University of Waterloo, "Risk Measures: Redefining Value at Risk."

Lew award

The SOA Committee on Knowledge Extension Research will again sponsor the Edward Lew Award for modeling research. This year, the award will be given to proposals rather than completed research. Winners will be expected to present their papers at an appropriate professional meeting. Applications for this award are available from Kathie Peters at the SOA office (phone: 847/706-3574; fax: 847/706-3599; e-mail: kpeters@soa.org). The deadline for applications is Dec. 30. Grants will be announced by April 5, 1999.

Individual grants competitions A flier announcing the 1998 Committee on Knowledge Extension Research and Actuarial Education and Research Fund individual grants competitions was distributed as an insert with the September issue of *The Actuary*. Applications for the competitions are available from Paulette Haberstroh at the SOA office (phone: 847/706-3584; fax: 847/706-3599). The deadline for applications is Dec. 30. Grants will be announced by April 5, 1999.

Retirement news

A request for proposals for the research project "Actuarial Aspects of Cash Balance Plans" has been distributed to U.S. Pension Section members and academic researchers. The study's purpose is to provide the actuarial profession with a fresh and unbiased review of the actuarial aspects of cash balance plans and original actuarial research on their design and valuation. Proposals are due by Oct. 12.

A session entitled "Computer Models for Retirement Policy Analysis: What Value Can Actuaries Add?" will be presented at the 1998 SOA annual meeting by Joseph Anderson, the researcher on the "Macrodemographic Model Feasibility Study." Anderson will present basic descriptions of the most important computer models used

by public policy analysts in the retirement income arena.

Health news

The SOA has awarded a grant to the National Association of Health Data Organizations to enhance the National Health Information Resource Center (NHIRC) Web site. Enhancements include a topic indexing/search/retrieval system, a module called Health Database Locator, and access to outcomes and performance measurement research. The NHIRC site (www.nhirc.org) is an online interactive resource for information about current health data/information projects and databases.

David Eisenberg, M.D., of the Center for Alternative Medicine Research at Harvard Medical School,

has completed a study entitled "Integrated Medicine" with funds from the SOA, the John E. Fetzer Institute, and the National Institute for Health. Dr. Eisenberg has submitted his paper to the *Journal of the American Medical Association* for publication consideration.

"Credibility Seminar for Health Insurance Actuaries" will be presented Nov. 2-3 in Chicago, covering credibility theory using practical examples from health insurance. More information is available from the SOA Continuing Education Department (phone: 847/706-3545; fax: 847/706-3599).

Keep in touch with Research
The "Resources from Research" brochure presents concise information

about SOA research reports and how to obtain them. The fall 1998 edition will be available at the SOA annual meeting in New York and through the SOA Research Department. Copies are free of charge. Information on the Society's research activities regularly appears on the SOA Web site (www.soa.org). Requests for proposals, calls for papers, research reports, "Resources from Research," and other research news and information are available.

Questions and comments about any SOA research activity can be directed to the Research Department at 847/706-3500.

New accidental death experience report and mortality table available

Accidental death rates in the United States population declined by more than 40% between 1953 and 1994 while homicide rates doubled, according to a new report available from the Society of Actuaries (SOA). The report, *Accidental Death Experience: A Review of Recent Experience for the Practicing Actuary and The 1996 Accidental Death Mortality Table*, finds that the combined rate of death by accident or homicide has decreased by 30% over the period.

The report was authored by Jay Jaffe, president of Actuarial Enterprises, Ltd., Highland Park, Ill., and was completed with a grant from the SOA's Committee on Knowledge Extension and Research.

The new accidental death benefit (ADB) table is the first the SOA has produced since 1959. The table breaks down data by sex, something the previous ADB table did not, and makes use of sources other than most recent insurance company experience. It also provides several sources for actuaries interested in more information about accidental death mortality.

The report looks at recent accidental death mortality experience applicable to both ordinary life policies and other accident products. In his introduction to the report, Jaffe writes, "Accidental death mortality patterns have changed over the past four decades. There is a need for an accidental death valuation mortality table that not only reflects current levels of accidental death mortality but also is applicable for accidental death benefits included in accident and health, special risk, blanket, group, or other policies."

The new report includes the tables:

- Individual Life Insurance Accidental Death Rates per 1,000 from SOA Studies
- 1953 and 1996 U.S. Population Accidental Death Rates per 100,000 (Excluding Homicides)
- U.S. Population Accidental Death Rates per 100,000 by Cause for 1953 and 1994
- Accidental Death Rates Table Summary
- 1959 Accidental Death Benefits Table Summary

- Recent Population Accidental Death and Homicide Mortality Rates per 1,000
- Ratio of 1980 SOA Accidental Death Rates to U.S. Population Accidental Death Rates
- Basic 1996 Accidental Death Benefits Table by Age Groups
- 1996 Accidental Death Benefits Mortality Table for Individually Underwritten Insureds (including the loadings per 1,000 at central ages)
- 1996 Accidental Death Benefits Mortality Table for Individually Underwritten Insureds (for individual ages and by sex)

Paper copies of the report can be ordered from the SOA Books Department for \$5 (U.S.), and the report can be accessed on the SOA Web site (Books Department — phone: 847/706-3526; fax: 847/706-3599; e-mail: bhaynes@soa.org; Web site — www.soa.org under *Library* and then *Research*). It will also be published in a future volume of the *Transactions of the Society of Actuaries*.