



**SOCIETY OF  
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# SmallCo Resource Corner

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Your colleagues in the marketing department have just come up with a great product that they know will be the next big thing. Now the pressure is on. You have all the numbers, but you cannot figure out which tables to use to value this next great product. Maybe it looks like guaranteed issue (GI) but it has a method of selection such as “actively at work” or it is being marketed to this very active, healthy group. Conversely, maybe it is from a website for clumsy people who are looking for accelerated death benefit (ADB) coverage. Which mortality table should you use to price this “next great product”?

One resource at your disposal is the collection of tables in the table manager on the Society of Actuaries (SOA) website. The table manager has dozens of options for consideration. Each table can be downloaded in various formats, including Excel, and includes a brief explanation of the table to help you make the best selection.

For our example, you might want to use the population mortality tables or the 2017 guaranteed issue table. You could also look at both and compare. Maybe you decide to use one of the Commissioners’ Standard Ordinary (CSO) tables. With the table manager you can find the 1980, 2001 or 2017 CSO tables, loaded or unloaded, smoker or nonsmoker or by gender.

Now let’s say your friends in marketing have told you they want to sell this next great product in a foreign country. The table manager can give you a population table of a specific country for you to compare with U.S. population tables. Realize, however, that the table manager will not have all countries or situations you may want to consider. For example, some of the African countries are missing.

Each table in the table manager can be downloaded in various formats, including Excel, and includes a brief explanation of the table.



Because you have many mortality choices in the table manager, you can also use a hybrid of tables. Maybe the underwriting looks better than you think and you can use select factors.

The table manager also can be divided into group and individual tables in case the opportunity is using group underwriting. Usually marketing will tell you both and it is important to understand the differences in the product.

All of these possibilities are available to you through the table manager.

I have also used the table manager when valuing a company or a block of business. Companies sometimes use tables I typically don’t use. The table manager allows me to compare tables in case the acquiring company’s actuary would use a percentage of 2001CSO and I was thinking a different percentage of 2017CSO. It gives me the opportunity to get an approximation of how much the results should differ. Before I began using the GI table, I often used a percentage of a CSO table for GI business. Using the table manager, I was able to see how approximations matched what the GI experience study had shown. It has also helped me to compare the mortality or morbidity of the company to differing tables to try to get the right experience in my company valuation.

The table manager has helped me outside of mortality as well. I remember looking at a company with a large amount of disability business. I remembered the table manager includes some disability tables and I did some comparisons. Interestingly, the stat and pricing assumptions were very different on this block. I was able to compare the two tables and see how redundant the

reserves were. In addition, the disability termination and disability recovery tables I found in the table manager have helped me value the disabled life reserves. The table manager also has some claim costs for any medical experience should you need those tables.

So, how can you get to this valuable resource? Go to [SOA.org](https://www.soa.org), click “Tools and Resources,” and select Mortality and Other Rate Tables from the dropdown menu.

The table manager has been a great resource for me. I hope you will find it to be a great resource for you in the future. ■



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### Life & Annuity Symposium

May 4–5 | Saint Louis, MO

### Health Meeting

June 8–10 | Chicago, IL

### Valuation Actuary Symposium

Aug. 31–Sept. 1 | New Orleans, LA

### Annual Meeting & Exhibit

Oct. 25–28 | Seattle, WA



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