

**Continuous Mortality Investigation**  
**‘Per Policy’ Coding Guide for**  
**Mortality and Critical Illness Investigations**  
**Version 1.7**

*Changes from version 1.6 are shown in italics*

## Contents

Introduction.....	2
1. GENERAL INFORMATION .....	3
2. DATA SUBMISSION .....	5
3. DATA FORMAT .....	6
4. GENERAL CODING GUIDELINES.....	13
5. GUIDELINES FOR CODING DATA FIELDS .....	27
Appendix A – Causes of Claim (for Critical illness investigation only) .....	38
Appendix B – Summary of changes between versions of the Coding Guide .....	39

## **Continuous Mortality Investigation 'Per Policy' Coding Guide for Mortality and Critical Illness Investigations**

### **Introduction**

This Coding Guide provides a description of the data requirements for offices contributing per policy data to the Mortality and Critical Illness investigations. As it contains many new rules it should be studied carefully by the person who prepares the office's returns to the CMI.

This Coding Guide replaces the previous rules that applied to data being submitted for the Mortality and Critical Illness investigations. However, offices are still free to use the existing Coding Guides for Mortality and Critical Illness for the foreseeable future.

This Coding Guide may be subject to revision from time to time in the light of the CMI's experience of data collection, market developments and analysis methodology. In particular it is anticipated that further guidance will be issued as offices attempt to use the guide in earnest. Version 1.0 of this guide was published alongside Working Paper 19. Subsequent versions are published on the CMI's pages on the Actuarial Profession's website.

There are many differences between the approach taken in this Coding Guide and prior guides though the differences are less fundamental for the Critical Illness investigation, mainly consisting of additional data fields. Some of the key differences are included below for clarity, but this list is not intended to be comprehensive:

- We are no longer proposing to adopt a 'Census' approach to the investigation. Instead we are seeking to capture sufficient information in the end-year data submission to allow an accurate exposure to be calculated. One particular consequence of this is that the data submission must include details of cases that have exited (by any means) during the investigation year.
- The CMI is happy to receive data for the Mortality and Critical Illness investigations on a consistent basis with this new Coding Guide.

### **For mortality investigations**

- We are no longer asking offices to submit data under a particular 'Investigation Number'. The intention is to use the product code to allocate policies to particular investigations. This has the benefit that investigations can be amalgamated or separated as appropriate within the CMI without offices needing to alter their data submissions. However, we are asking offices where possible to advise the investigation number where data was previously submitted on a scheduled basis. This will help with reconciliation and may also highlight the reason for apparent changes in experience.

The approach to notification of claims (including cessation of benefits on annuities) has changed. Previously offices were requested to delay submitting data until virtually all claims were expected to have been notified. Claims will now be included according to the date they are processed (i.e. the date when the office's systems are updated), with delayed claims reported in subsequent years. This may mean that an adjustment is needed in respect of Incurred But Not Settled (IBNS) claims when compared with the previous approach. It also means that offices should be able to submit data earlier in the year, allowing the CMI to release results earlier.

## **1. GENERAL INFORMATION**

### **1.1 The scope of the investigations**

Offices should submit data for most life assurance products sold to individuals in the UK and Republic of Ireland that have any death or longevity benefit. For the avoidance of doubt, data on savings policies with minimum death cover should also be submitted.

Group products are generally outside the scope of this investigation; however, data should be submitted for the following group products:

- 1) “grouped-individual” products where there is a separate insurance contract for each individual in the group such as Group Personal Pensions policies (stakeholder and pre-stakeholder versions);
- 2) annuities arising from life office administered pension schemes; and
- 3) bulk annuities (including those arising from scheme wind-up and transfers of life office individual business portfolios as well as “buy-in” policies bought by scheme trustees).

Rated policies (including enhanced annuities) are within the scope of this investigation but must be identified in the appropriate field – see section 4.11.

Data for the Mortality and Critical Illness investigations can both be submitted using this Coding Guide. Where there are differences in data requirements for the various investigations, these are highlighted in the relevant section. For Critical Illness business, the investigation covers:

- Stand Alone - where the benefit is paid on diagnosis of critical illness.
- Full acceleration - where the benefit is payable on the diagnosis of critical illness or death, whichever occurs first.

Further details of the scope of data required are contained in section 3.1. In order to aid the CMI’s understanding of offices’ submissions, offices are requested to provide a high-level summary of business that has not been included within their submission compared to FSA Returns. A precise reconciliation is not required.

### **1.2 Data required**

Data are collected and investigated for calendar years. Data required for each investigation (calendar) year (N) are:

- In force (i.e. on risk for benefits) at the end of 31<sup>st</sup> December in year N
- Policies going out of force (including claims) in year N

The exact definitions of the data required, of ‘normal claims’ (see section 4.5), and of claim year ‘N’ are given in section 4 below. Whatever the approach adopted, a consistent approach from one year to the next should be used.

### 1.3 Data submission

All data and queries should be sent to:  
Kimberley Kyle, CMI, 3<sup>rd</sup> floor, Cheapside House,  
138 Cheapside, London, EC2V 6BW  
Tel: 020 7776 3820  
Fax: 020 7776 3810  
Email: [mortality@cmib.org.uk](mailto:mortality@cmib.org.uk) or [ci@cmib.org.uk](mailto:ci@cmib.org.uk)

Where e-mail is used, please use the appropriate address. Either can be used where data/queries relate to both Mortality and Critical Illness.

Offices are encouraged to contact the CMI at an early stage with any questions and to let us know if any difficulty arises or seems likely to arise with regard to a submission. We are more than happy to assist you.

Details of the format and mode of submission are given in section 2 below.

### 1.4 Submission deadlines

Offices are requested to submit data to us by the end of June of the year following that to which they relate, i.e. we would like data on policies going out of force in year N as well as data on policies in force at the end of year N to be supplied by 30/6/N+1.

### 1.5 Personal data and Confidentiality

Data supplied to the CMI must not contain the name and address of any individual.

It is not certain whether a combination of full postcode with date of birth (and gender) is regarded as “personal data” in terms of the Data Protection Act 1998. Given this uncertainty, we felt it prudent to produce standard terms to regulate the relationship between data contributors and the CMI. These are available at <http://www.actuaries.org.uk/research-and-resources/pages/continuous-mortality-investigation-data> and are deemed to apply in respect of any data submitted to the CMI that is “personal data” under the Act.

It is necessary that the data contains a policy number or other internal identifier which permits ready identification of a record should a query or the need for correction arise. The policy number or internal identifier must not change from one submission to the next as it will be used to validate the data submitted against data submitted previously. Beyond this the policy identifier is not used and does not appear in any published results or communication, other than between the CMI and the office concerned.

An office’s own data and claims experience are confidential to that office and the CMI takes great care that neither data nor details of an office’s claims experience are distributed to third parties without the permission of the office concerned other than as part of pooled industry experience.

## **2. DATA SUBMISSION**

### **2.1 Physical methods of submission**

We are happy to accept data on CD or DVD. We encourage all data files to be encrypted and password protected; this is particularly important should the data files contain postcodes that might allow individuals to be identified. Passwords should be provided separately (by email or letter) from the data.

The CMI may be able to accept any other commonly used form of electronic data transmission but please contact us beforehand to check.

Data cannot be accepted in written form due to the keying time required, except for minor corrections to data after initial submission.

### **2.2 Submission of data by e-mail**

Data can be accepted as an attachment to an e-mail. We encourage all data files to be encrypted and password protected; this is particularly important should the data files contain postcodes that might allow individuals to be identified. Passwords should be provided separately (by telephone or letter) from the data.

The attaching file should, where possible, be compressed (e.g. using WINZIP). The covering e-mail should contain the information set out in section 2.3 below.

As with many organisations, filters and firewalls restrict the transmission of e-mails to the CMI that may contain harmful software. From experience, spreadsheets frequently contain macros, sometimes without the sender's knowledge. For this reason we ask that all files are checked to ensure that they are free of macros before being sent to us.

It would be appreciated if large files could be sent at the end of the working day so as not to block transmission lines. Very large files, i.e. in excess of 5Mb, should be sent on CD as set out in section 2.1 above. E-mails should be sent to:

[mortality@cmib.org.uk](mailto:mortality@cmib.org.uk) or [ci@cmib.org.uk](mailto:ci@cmib.org.uk)

### **2.3 Labelling and accompanying information**

The CMI receives a regular stream of data from many sources. In order to ensure proper control of data, offices are requested to:

- Physically label CDs, etc. with details of their contents, i.e. office name, investigation (in this case 'mortality', 'critical illness' or 'mortality and CI'), type of data (in force or policies going out of force) and year.
- Enclose a covering letter (or e-mail) with the submitted data indicating the person(s) to contact in case of queries and, ideally, with a summary of contents, including the number of records.

### **3. DATA FORMAT**

#### **3.1 Flexibility**

The CMI accepts that the resources necessary to convert data from an office's own database(s) into a rigidly specified format may discourage a potential contributor. Clearly though, each office's data will have to be converted into a standard format before being combined with other offices' data. It would be most helpful if the data could be formatted in as near to the standard form as possible (as set out in section 3.3 below) but in order to encourage contribution, we are happy to take on a portion of the formatting, given enough explanatory information regarding the submitted format.

Similarly, if an office finds it easier to submit data including benefits that fall outside the scope of the Mortality and Critical Illness investigations, the CMI is happy to accept these provided it is clear which cases we should exclude, without needing to examine policies individually. Examples of categories include:

- If offices offer products with multiple benefits (including death or critical illness cover) then data for all benefits may be submitted, regardless of whether death or critical illness cover has been selected by the policyholder. There is no current intention to investigate the experience under other benefits.
- Policies written on more than two lives.
- Joint Life Second Death policies.

Offices may use their discretion to exclude certain policies from the investigation – examples could be staff policies written as part of the pension scheme or mortgage protection policies issued as part of the redress in a mortgage endowment mis-selling case (although the latter can be included with 'Original Type of Entry' coded as "C").

#### **3.2 Types of electronic data file**

##### Text/CSV files

Historically, data has been received for CMI investigations in the form of text files and it continues to be a useful default standard. The format should be as described below in Table 1, where either a comma (or other appropriate character) separates each field or the file is arranged in a fixed width format.

Each record should appear on a separate line and, ideally, both a header and 'end of file' record should be included.

##### Spreadsheets and databases

We are happy to accept data in spreadsheet or database format but we would request that database formats are Microsoft Access. For offices using different database software, though importing into Access is often easy, we suggest the data be converted into Text/CSV as described above. Where possible, please include header and 'end of file' records.

### **3.3 Data records**

A record is required for each benefit for each life insured on each policy. This may mean more than one record is required for many policies. For example, on a single life policy with death and waiver of premium benefits, separate records may be submitted for each of the death and waiver of premium benefits, or only the death benefit record submitted.

For group products within the scope of the investigation (e.g. bulk annuities), a separate record is required for each benefit for each life covered by the policy.

Each record should occupy one row in a spreadsheet, one database record or one text line and should contain the information in Table 1 below.

General guidelines on coding are given in section 4 while guidelines pertinent to a specific field are given in section 5.

**Table 1**

<b>Field</b>	<b>Field Position (for fixed length submissions)</b>	<b>Format of Values</b>	<b>Mandatory?</b>	<b>Notes for this field</b>
Record type	1	I = In force at the end of the record year O = Policy taken out of force in the record year	Y*	5.1
Office Number	2 – 4	NNN	Y*	5.2
Record Year	5 – 8	YYYY	Y*	5.3
Territory	9	1 = UK 2 = Republic of Ireland	Y*	5.4
Product code	10 -19	Any alphanumeric (up to 10 characters <sup>§</sup> )	Y*	5.5
Client identifier	20-29	Any alphanumeric (up to 10 characters <sup>§</sup> )	N	5.6
Policy identifier	30-39	Any alphanumeric (up to 10 characters <sup>§</sup> )	Y	5.7
Benefit identifier	40-49	Any alphanumeric (up to 10 characters <sup>§</sup> )	Y (if >1 benefit)	5.8
Sex	50	M, F	Y	5.9
Medical type code	51	M = Life medically examined on entry N = Life not medically examined on entry but satisfactory evidence of health received P = Lives accepted after paramedical examination S = Lives accepted on minimum evidence of health via a shortened proposal form. U = Unknown/Undifferentiated W = Sold without underwriting	Y	5.10
Smoker status	52	N = Non-smoker S = Smoker U = Unknown/Undifferentiated	Y	5.11
Date of Birth	53-60	DDMMYYYY	Y	5.12
Original Type of Entry	61	C = Compensation case G = Effected by exercising a GIO N = New Business O = Other U = Unknown	Y	5.13
Date of policy commencement	62-69	DDMMYYYY	Y	5.14
Date of benefit commencement	70-77	DDMMYYYY	Y*	5.15



<b>Field</b>	<b>Field Position (for fixed length submissions)</b>	<b>Format of Values</b>	<b>Mandatory?</b>	<b>Notes for this field</b>
Entry into Current Status	78	A = Alteration (on) – see section 4.8 C = Compensation case G = Effected by exercising a GIO H = Annuity benefits suspended as death suspected I = In force at previous submission N = New business O = Other Q = Claim being investigated R = Reinstatement from lapse or suspension T = Bulk transfer-in U = Unknown W = Commencement of a dependant's pension annuity	Y	5.16
Movement on date	79-86	DDMMYYYY	Y	5.17
Benefit maturity/expiry date	87-94	DDMMYYYY	Y	5.18
Business Type	95	H = Hybrid N = Non profit U = Unit linked W = With-profits	Y*	5.19
Premium frequency	96	P = Recurrent Single premium R = Regular premium S = Single premium	N	5.20
Premiums in payment or paid up	97	N = Paid up Y = Premium paying	N	5.21
Single or joint life	98	D = Dual J = Joint life first event benefit or joint life annuity S = Single life benefit	N	5.22
Rated or non-rated	99	N = Non-rated Y = Rated	Y	5.23
	100-101	Leave blank for fixed length submissions	N	

<b>Field</b>	<b>Field Position (for fixed length submissions)</b>	<b>Format of Values</b>	<b>Mandatory?</b>	<b>Notes for this field</b>
Benefit type	102-103	DB = Stand Alone Death benefit SC = Stand Alone Critical Illness benefit AC = Accelerated Critical Illness benefit DC = Stand Alone Death component of a multiple benefit Death and Critical Illness policy CA = Accelerated Critical Illness component of a multiple benefit Death and Critical Illness policy CC = Stand Alone Critical Illness component of a multiple benefit Death and Critical Illness policy LA = Life annuity in payment benefit DA = Pension benefits in deferment NA = Pension annuity in payment to members retiring in normal health IA = Pension annuity in payment to pensioners retiring in ill-health PA = Pension annuity in payment where the health status of the pensioner at retirement is unknown XA = Pension annuity where it is not known whether the beneficiary is the member or a dependant WA = Pension annuity in payment to dependants including widow(er)s	Y*	5.24
ABI new business code	104-106	NNN	Y	5.25
Distribution channel code	107	A = Basic advice (i.e. Stakeholder products) B = Bancassurance I = IFA/Whole of market M = Multi-tie/Limited range N = Non-intermediated S = Single tie U = Unknown	Y*	5.26
Location	108-114	Any alphanumeric area postcode	N	5.27
Initial benefit amount	115-126	NNNNNNNNN.NN	N	5.28
Benefit amount at 'Movement on date'	127-138	NNNNNNNNN.NN	Y	5.29
Benefit amount at end of year or 'Date of exit'	139-150	NNNNNNNNN.NN	Y	5.30
Date of amount review	151-154	DDMM	Y (if relevant)	5.31

<b>Field</b>	<b>Field Position (for fixed length submissions)</b>	<b>Format of Values</b>	<b>Mandatory?</b>	<b>Notes for this field</b>
Type of increment / decrement	155	C = RPI subject to a cap D = Decreasing (non-Mortgage) F = Fixed rate increase I = Family Income Benefit L = LPI M = Decreasing (Mortgage) N = No increment (i.e. level) O = Other R = RPI W = With-profits U = Unknown	Y*	5.32
Rate of increment / decrement	156-160	NN.NN Rate of increase or decrease in benefit	N	5.33
Previous Investigation Number	161-162	NN	N	5.34
<b>The following three fields should only be completed for pension annuities in payment.</b>				
Pension Grouping	254	B = Other bulk purchase annuities (i.e. where the office is unable to identify whether this is “buy-in” or “buy-out” business) C = Buy-out bulk purchase annuities D = Buy-in bulk purchase annuities I = Individual annuities U = Unknown	Y*	5.42
Pension Source Type	255	O = Occupational pension P = Private pension (unknown source) Q = Private pension (personal pension) R = Private pension (income drawdown) S = Private pension (S226) U = Unknown	Y*	5.43
Dependant’s proportion	256-260	NN.NN	N <sup>¥</sup>	5.44
<b>The fields below should be completed only for benefits exiting during the year.</b>				
Date of exit	163-170	DDMMYYYY	Y	5.35

<b>Field</b>	<b>Field Position (for fixed length submissions)</b>	<b>Format of Values</b>	<b>Mandatory?</b>	<b>Notes for this field</b>
Type of exit	171	A = Alteration (off) – see section 4.8 B = Cover ceases due to a claim on another benefit C = Critical Illness claim paid D = Death claim paid E = Ex-gratia claim paid H = Annuity benefits suspended as death suspected L = Lapse M = Maturity / Expiry Q = Claim being investigated S = Surrender T = Terminal Illness claim paid U = Unknown X = Other exit	Y	5.36
Date of claim	172-179	DDMMYYYY	N*	5.37
Date of notification of claim	180-187	DDMMYYYY	N*	5.38
Date of claim admission	188-195	DDMMYYYY	N*	5.39
Date of claim settlement	196-203	DDMMYYYY	N*	5.40
Cause of CI Claim	204-253	Any Alphanumeric	N	5.41

§ The maximum of 10 characters is only relevant to fixed length data submissions

Fields indicated as Y\* for “Mandatory?” are not mandatory if the value is the same for the entire data submission and is clearly specified in accompanying documentation (e.g. the file only contains UK business for office 999 relating to 2006).

In such cases and for non-mandatory fields that are not being supplied, the relevant fields should be filled with blanks where data is submitted in a fixed length format.

The dependant’s proportion is shown as N<sup>§</sup> for “Mandatory?”. This need only be recorded for joint life annuities – see section 5.44.

The Dates of Claim are shown as N\* for “Mandatory?”; however at least one of these four dates **must** be supplied for assurances and at least one of date of death or date of notification **must** be supplied for annuities. The date of the claim event (death or diagnosis) is the preferred field for both assurances and annuities.

The file should also include:

- Header record – a one line record with each field’s title.
- End of File record – a one line, one field record simply with the text “EOF”.

## **4. GENERAL CODING GUIDELINES**

**The CMI aims to maintain a consistent coding of data; however the practice regarding policy administration and acceptance of claims varies between offices. If you are unsure as to how best to reflect your office's practices then please contact the CMI. We will be pleased to help.**

### **4.1 In Force – Definition**

It is important that the date of commencement given in the data submitted to the CMI represents the true benefit commencement following acceptance of terms and underwriting, rather than a proposal (or any other) date.

For the purposes of data submission to the CMI, non-annuity policies should be counted as “on risk” from the benefit commencement date only. Any ‘free cover period’ between the proposal date and benefit commencement should not be regarded as “on risk”. Equally, for the purposes of data submission to the CMI, all claims during a ‘free cover period’ are considered as ex-gratia payments and should be excluded.

### **4.2 Exit - Definition**

An exit occurs when an in force policy treated as “on risk” (see section 4.1) is taken off risk either permanently, for example due to a lapse or claim (see sections 4.4 and 4.5), or temporarily, for example when an alteration is carried out (see section 4.8).

Guidance on the Date of exit that should be submitted is provided in section 5.35.

### **4.3 Policies going out of force in the year**

The data submission must include details of cases that have been processed as exits (by any means) during the investigation year. This must include policies that were only temporarily brought into force during the year (offices may do this to process a claim, following a bank error or for other reasons).

Therefore, any policy experiencing a movement during year N must be included in the data submitted, either as in force at the end of 31<sup>st</sup> December in year N or as a policy processed as going out of force in year N. In some cases, this could result in multiple records for one benefit if, for example, a case is brought back into force on more than one occasion during a year.

### **4.4 Lapses and Reinstatements**

In normal circumstances, a lapse will be submitted as an exit during the appropriate investigation year, but on occasion more complex scenarios can arise.

If a case is reinstated during the same investigation year that it lapses, then the CMI would like to receive two records:

- (i) An exit showing the benefit as a lapse, with the 'Date of exit' equal to the date the lapse is processed.
- (ii) The second record will be either an in force record as at the end of 31<sup>st</sup> December (if the case remains in force after being reinstated) or a second exit, if it lapses again or claims. This record will include the 'Original Type of Entry' and the 'Date of Benefit Commencement' unchanged (i.e. the original type and date of entry) and the 'Movement on date' (see 5.17) equal to the effective date of the reinstatement (i.e. when the policy returns to an 'on risk' status).

Alternatively, if a policy is reinstated with no break in cover (e.g. when a banking error is rectified) then the office may submit a single record with no indication that the lapse/reinstatement occurred.

If a case is reinstated in a later investigation year than the one in which it lapses, then the CMI does not expect to re-state previous years' exposure in normal situations, even if the effective date of the reinstatement predates 1<sup>st</sup> January of the relevant year. The CMI would like to receive an exit in year N for the lapse and the subsequent record will be similar to that described in (ii) above but with 'Movement on date' equal to 1<sup>st</sup> January of the relevant year (which will normally be N+1).

It may help offices to understand how the CMI expects to use the data in this regard. It would be theoretically possible to consider reinstatements that are subject to re-underwriting as a separate category and to initially re-assign them to duration 0. However, the CMI does not expect that offices will be able to distinguish in their data submissions according to whether re-underwriting has occurred. It is not obvious whether it would be more accurate to restart the duration on all reinstatements (regardless of whether they have been subject to re-underwriting) or to continue to use the original date of entry, but the CMI has decided to maintain its historic approach which is to base duration on the original date of entry.

## 4.5 Claims

For the avoidance of doubt, claims include:

- a) valid claims (as defined below) on assurances under the policy terms; and
- b) the cessation of benefit payments on annuities where the death of a policyholder has been notified to the office in a form acceptable to the office.

The cessation of benefits payments on reaching the end of the term on a temporary annuity is not to be treated as a claim.

The investigations analyse claims on the policies on risk. All 'normal' claims should be included, i.e. ex-gratia claims should not be treated as a claim but should be shown as an exit with "Type of exit" coded "E".

A consistent coding of policy attributes should always be adopted between claims and in force policy records. This is particularly important to consider when claims and in force data are obtained from separate databases or by separate departments. Particular care is required when some attributes are coded as unknown or undifferentiated (e.g.

if the smoker status of a policy is coded as Unknown during its lifetime, then the claim should also be coded as “U”, even if the status of that policy is then known).

## Assurances

When submitting claims data, offices will need to take two key decisions:

- a) The definition of a valid claim.

Offices normally decline a proportion of the claims that they receive and so in order to avoid overstating the experience, the CMI only collects data on claims once they are considered **valid** by the office. Claims can only become valid either when they are admitted or when they are settled and offices will need to decide which of these two events they wish to use to define “valid claims” for the purpose of submitting data.

- b) Which claims are submitted for a particular investigation year?

Offices will need to decide which date held on its systems it uses to identify claims to be submitted for a particular investigation year. The date used for this purpose should be recorded in the Date of exit field (see Section 5.35).

The decisions an office makes in this regard will depend on its processes and the information recorded on its systems and indeed may vary between its administration systems. Though offices can usually identify a valid claim they may not record the actual date when that event occurs or is processed (i.e. when the administration system is updated to reflect the event). Therefore, the dates available to offices to identify policies for which a claim record should be submitted in a particular investigation year may not be consistent with the way the office defines valid claims.

Where the information available to the office permits, the CMI would prefer the office to do the following:

- a) If valid claims are defined as those that are settled, offices should use the date that claim settlements are processed to identify claims to be submitted in respect of a particular investigation year.
- b) If valid claims are defined as those that are admitted, offices should use the date that claim admissions are processed to identify claims to be submitted in respect of a particular investigation year.

If neither of these are possible, depending on what dates are available and most appropriate to how the office defines valid claims, offices should use the date that settlements, admissions or notification are processed to identify claims to be submitted in respect of a particular investigation year. Failing this, offices should consider which one of the actual dates of settlement, admission or death/diagnosis is most appropriate for this purpose.

**The definition for valid claims and the date used to identify claims to be submitted in respect of a particular investigation year should not change between submissions. In no circumstances should claims data be submitted in**

CMI

**respect of claims that have yet to be admitted or settled (i.e. where the office is still investigating a notified claim).** No 'normal' valid claim should be either missed out or double-counted.

**Where the date used to identify claims to be submitted in respect of a particular year is not consistent with how the office defines valid claims, the office will need to ensure that all valid claims processed during the investigation year can be identified and submitted.** For example, where valid claims are defined as those that are settled but the date that notifications are processed is used to identify claims submitted for a particular investigation year, a further process will be required to identify and submit the claims notified in previous years that were settled during the investigation year.

Offices may bring assurance policies into force to pay a claim in certain circumstances. An example is where, on a term assurance policy, the policy is treated as lapsed when the premiums are stopped on the policyholder's death as the office is not notified of the death. On notification of the death, the office may then pay out the claim without the policy being brought in force first. **However data must be submitted on any 'normal' claim settled in the year, regardless of whether the policy was in force or not when the claim was settled.**

#### Annuities

Where offices are notified of policyholder deaths in an acceptable form, they will presumably cease benefit payments without further investigation. Therefore, admissions and settlements are not relevant when considering claims for annuities and a valid claim is simply defined as one where the office has been notified of the policyholder's death (in an acceptable form). For the avoidance of doubt, in the absence of the office being notified of a death by a policyholder's representative, when it receives other acceptable evidence about the death (perhaps from information held by the Registrar-General) this should be treated as a notification of the death. **In no circumstances should claims be considered valid where benefit payments have been suspended due to the office suspecting that the policyholder has died.**

Therefore, for annuities, offices will only need to take one key decision regarding which claims are submitted for a particular investigation year. Offices will need to decide which date held on its systems it uses to identify claims to be submitted for a particular investigation year. The date used for this purpose should be recorded in the Date of exit field (see Section 5.35).

The decisions an office makes in this regard will depend on its processes and the information recorded on its systems and indeed may vary between its administration systems. However, offices may not record the actual date when notification of deaths occurs or is processed (i.e. when the administration system is updated to reflect the event). Therefore, the dates available to offices to identify policies for which a claim record should be submitted in a particular investigation year may not be consistent with the way valid claims are defined for annuities.

Where the information available to the office permits, claims submitted in respect of a particular year should be based on the date the notification of death was processed. If



this date is not available then it should be based upon the actual date of notification or date of death.

**The date used to identify claims to be submitted in respect of a particular year should not change between submissions.** No valid claim should be either missed out or double-counted.

**Where the date used to identify claims to be submitted in respect of a particular year is not consistent with the way valid claims are defined for annuities, the office will need to ensure that all valid claims notified during the investigation year can be identified and submitted.** For example, where the date of death is used to identify claims submitted for a particular investigation year, a further process will be required to identify and submit the deaths occurring in previous years that were notified during the investigation year.

#### Standalone Critical Illness benefits

For the purposes of the CMI investigations, Stand Alone Critical Illness policies are defined as those with no or a minimal benefit payable on death. In the event of a death under such a benefit, 'Type of Exit' should be coded as "B" (cover ceases due to a claim on another benefit), not as "D".

## 4.6 Assurance claims under investigation

Offices may take an assurance policy off risk whilst investigating a claim. In this case, the way data should be submitted depends on whether the investigation into the claim is completed by the end of the year in which the policy was taken off risk.

If the investigation is completed by the end of the year in which the policy was taken off risk, a single record should be submitted reflecting the outcome of the investigation of the claim:

- a) If the claim is accepted (i.e. becomes a valid claim as defined by the office – see section 4.5), "Type of exit" should be coded as "C", "D" or "T".
- b) If the claim is declined and the policy is treated as lapsed, "Type of exit" should be coded as "L".
- c) If the claim is declined and the policy is retrospectively treated as having been on risk throughout the period the claim was being investigated, "Type of exit" should be left blank.

Where the investigation into the claim is not completed by the end of the year in which the policy was taken off risk, a claim should not be recorded. Instead, in the submission for the year in which the policy was taken off risk, an exit should be recorded with "Type of exit" coded as "Q". For submissions in later years, a second record is then required in the year in which the office takes a decision to accept or decline the claim.

For this second record, "Entry into current status" should be coded as "Q" and "Type of exit" should reflect the outcome of the investigation of the claim:

- a) If the claim is accepted, "Type of exit" should be coded as "C", "D" or "T" and "Movement on date" should be set to equal "Date of exit".

- b) If the claim is declined and the policy is treated as lapsed, “Type of exit” should be coded as “L” and “Movement on date” and “Date of exit” should both record the date the claim was declined.
- c) If the claim is declined and the policy is retrospectively treated as having been on risk throughout the period the claim was being investigated, “Movement on date” should be set to 1<sup>st</sup> January of that year and “Type of exit” should be left blank.

#### **4.7 Suspended annuities**

Offices may cease payments on annuities where the policyholder is suspected to have died. In this case, an exit should be recorded (i.e. “Type of exit” should be coded as “H”) when the annuity is suspended.

When (and if) offices update their systems to reflect receiving evidence of death (i.e. an acceptable notification of death), another record should be submitted. For this second record, “Entry into current status” should be coded as “H” and “Type of exit” coded as “D”. The “Movement on date” should be set to equal “Date of exit”.

If the office resumes benefit payments on receiving evidence that a policyholder is alive, another record should be submitted. Where the original annuity is reinstated, this should be recorded as a reinstatement (coded as “R” in the “Entry into current status” field) in this record. Where a new annuity is issued, the same process should be applied but, additionally, the office should separately provide a cross-reference to the original annuity that was suspended.

#### **4.8 Alterations**

The CMI will be using the end-year submission to calculate the exposure during the year. Where policies are altered during the course of the year (other than regular contractual changes to the benefit amount), the CMI’s preferred approach is that two records are submitted in respect of the altered policy – the first reflecting its pre-alteration status and including a date of exit and ‘Type of Exit’ coded as “A”, the second reflecting its post-alteration status and with ‘Entry into Current Status’ coded as “A”.

Where an alteration occurs, the ‘Original Type of Entry’ and benefit commencement dates should not change in the new record, however the date of the alteration should be recorded in the ‘Movement on date’ (see section 5.17.)

Contractual changes to the benefit amount do not necessitate separate records as they can be identified from those fields in sections 5.29 to 5.33.

#### **4.9 Reinsurance**

The investigations cover directly written business only. Reinsurance business ceded to other offices should be included in full (i.e. not just the retained portion). Reinsurance business accepted from other offices should be excluded.

#### **4.10 Underwriting**

For policies sold without underwriting, the ‘Medical type code’ field must be set to “W” or such policies excluded. For policies effected under guaranteed insurability options or issued as part of redress (e.g. resulting from mis-selling), this field should also be set to “W”; in addition, ‘Original Type of Entry’ should be coded accordingly (see section 5.13).

If you are unsure whether particular policies should be counted as being underwritten for the purposes of submitting data to the CMI, please contact us and we will be happy to advise you on the correct treatment.

#### **4.11 Rated lives**

The CMI’s scheduled mortality and census critical illness investigations covered lives insured on standard terms and premium rates only. Lives subject to increased premiums, exclusions on cover and/or other non-standard terms for medical or other reasons were excluded. However, if applicable, lives under assurances subject to increased premiums only were included in the ‘Impaired Lives’ mortality investigation.

With the move to Per Policy data collection the CMI’s intention is to collect as much data as possible (including data on rated policies) and then to decide what data to include in what investigation once validated.

For non-annuity benefits, rated lives should be included in the data but it is important that whether a policy is rated or not is identified through the ‘rated or non-rated’ field.

Annuity benefits provided on enhanced terms should also be included in the data and identified in the ‘rated or non-rated’ field. For joint life enhanced annuities, it is important that the life resulting in the enhanced terms is correctly identified in the ‘rated or non-rated’ field. Only if both lives are treated as impaired for the purpose of enhancing the terms of the annuity should both lives should be recorded as rated.

If you are not able to indicate which lives are rated or you are in any doubt about how to proceed, please contact the CMI.

In earlier versions (up to version 1.4) of the Per Policy Coding Guide, the CMI had requested that an Impairment Code be provided for rated policies so that the relevant data could be used for the ‘Impaired Lives’ mortality investigation. This code is no longer required as the CMI has ceased collecting data for this investigation in its current form for investigation years after 2006. However, the CMI is consulting on possible approaches for the future and this may lead to further changes to the Per Policy Coding Guide in future.

#### **4.12 Joint life assurances**

A separate record should be submitted for each life for joint life first event benefits.

For joint life first event policies, in the event of a claim being paid on a first event, the record in respect of the life that gave rise to the event being claimed for should show

CMI

the type of exit as “D” (for example, if a death claim). The second life’s record should show type of exit as “B”. In the rare event of both lives being subject to a covered event, such as might result from a motor accident, both lives’ records should show type of exit as “D” (for example), if offices are aware of this.

Joint life second event benefits should be excluded from the investigations.

In respect of all joint life assurances, any cases where the smoker status cannot be determined for both lives separately should be treated as ‘undifferentiated’ in the smoker code field for both lives. This might occur where offices’ systems hold smoker status at benefit level, rather than life level. Again, care should be taken to treat the records consistently for benefits in force at the year end and for benefits exiting during the year (i.e. the claim must also be categorised as “U”, even if the smoker status of the life that claimed is known).

#### 4.13 Annuities in payment

The following types of annuities in payment should be included (see below for the types of annuity to be excluded):

1. Single life annuity in payment (either written as non-pension or pension business).
2. Joint life (non-pension) annuity in payment while both lives are alive with a reduced benefit paid to the surviving life after the death of either of the two lives.
3. Joint life (non-pension and pension) annuity in payment until the death of the first **named** life after which a reduced benefit is payable to a surviving second life.

The key difference between case 2 and case 3 above is that the order of deaths of the two lives matters in case 3. If the second life pre-deceases the first life, there is no reduction in benefits that continue to be paid to the first life.

The above cases, respectively, should be coded as follows:

1. Submit at least one record describing everything about the benefit in that calendar year.
2. Submit at least one record for each life describing everything about the benefit in that calendar year, until the death of either life. Many of the fields should be identical for each life as they describe the policy not the life, e.g. the benefit amount, the commencement dates, etc. On the first death, the type of exit for the life that dies should be shown as “D”. The remaining life’s record should show type of exit “B”. In the rare event of both lives dying, such as might result from a motor accident, both lives’ records should show type of exit as “D” (for example), if offices are aware of this.

In addition, upon the first death, if a benefit is payable to the remaining life, submit a further record for the remaining life with the same policy details, but

with the **benefit** commencement date of this record as the date of first death/exit (while **policy** commencement date should be unchanged). The benefit amount will be the reduced amount applicable.

3. Submit at least one record for the first named life as per 1. above. The percentage of reduced benefits payable to the second life should be recorded in the 'Dependant's proportion' field. On death of the first named life, record the type of exit as "D".

In addition, upon the death of the first named life, if a benefit is payable to a surviving second life, submit a further record for the second life with the same policy details but with benefit type "WA" and the **benefit** commencement date of this record as the date of death/exit for the first named life (while **policy** commencement date should be as per the first life). The benefit amount will be the reduced amount applicable. If the second life's benefit is only payable for a fixed term then the benefit maturity/expiry date should indicate when the benefit expires.

For the avoidance of doubt, no records should be submitted on the second life for the period in which the first life is alive.

For all cases, where the benefit is only payable for a fixed term, then the benefit maturity/expiry date should indicate when the benefit expires.

In respect of all joint life annuities in payment, any cases where the smoker status cannot be determined for both lives separately should be treated as 'undifferentiated' in the smoker code field for both lives. This might occur where offices' systems hold smoker status at benefit level, rather than life level. Again, care should be taken to treat the records consistently for benefits in force at the year end and for benefits exiting during the year (i.e. the claim must also be categorised as "U", even if the smoker status of the life that claimed is known).

For all joint life annuities that are paid on enhanced terms, it is important that the lives resulting in the enhanced terms should be correctly identified in the 'rated or non-rated' field. If the second life is the one that has led to the enhanced terms, any new records created for the second life after the death of the first life should continue to identify the second life as rated.

The following types of joint life annuity in payment should be excluded:

1. Any annuity payable to more than two lives.
2. Contingent annuities (i.e. only payable following the death of a particular life).
3. Joint life annuities in payment until the last death (i.e. where a benefit does not reduce when the first death of either life occurs).

#### 4.14 Pension annuities in payment

It is important to the CMI to be able to distinguish between the different types of pension annuities, whether occupational pension or bulk annuity business, etc. The

scope of this guide to code different pension annuities is reasonably extensive and therefore care should be taken.

In essence, the coding requirements are designed to allow annuity benefits to be split by:

- (a) Source of pension benefits – whether the annuity relates to private pension benefits (e.g. personal pensions) or to occupational pension benefits should be recorded under the ‘Pension Source Type’ field. For the avoidance of doubt, pension benefits under an individual contract with the member (e.g. group personal pensions) are to be treated as private pensions. Where offices are able to distinguish between the source of the private pension benefits (i.e. Personal Pension, S226 and Income Drawdown), they are requested to record the appropriate codes.
- (b) Bulk purchase and individually written annuities – annuities where the benefits were quoted separately for each member should be recorded as individually written annuities and the rest treated as bulk purchase annuities under the ‘Pension Grouping’ field.

Where the relevant information is available to the office, bulk purchase annuity benefits arising from the (partial or complete) wind-up of occupational schemes should be recorded as “buy-out” bulk purchase annuities under the ‘Pension Grouping’ field. Bulk purchase annuities benefits where the contract is with the scheme trustees should be recorded as “buy-in” bulk purchase annuities. Bulk purchase annuities arising from transfers of life office portfolios and relating to occupational pension benefits should be recorded in the same way.

Bulk purchase annuities arising from transfers of life office portfolios and relating to private pension benefits should be recorded as “other” bulk-purchase annuities (i.e. those that cannot be split between “buy-in” or “buy-out” business).

The CMI understands that offices would have quoted separately for annuities arising from the retirement of individual members in life office administered pension schemes, and so these should be treated as individually written annuities in the CMI data but with the source of pension benefits being occupational pensions. If offices treat life office pensioner business in a different way, they are requested to discuss this with the CMI before submitting data.

- (c) Health status of the member at retirement – the ‘Benefit Type’ field should reflect the health status of the member at the date of their retirement.

For annuities arising from private pensions, the health status for members at retirement should be recorded as ill-health, normal or unknown. For the avoidance of doubt, members do not have to be receiving an enhanced annuity to be recorded as being in ill-health at retirement.

For annuities arising from occupational pensions, members retiring at or after the occupational scheme's normal retirement age should be treated as retiring in normal health unless the office has information to suggest otherwise. Members retiring before the scheme's normal retirement age should be treated as retiring in ill-health unless the office has information to suggest otherwise. If the scheme's normal retirement age is not known, the health status should be recorded as unknown.

Further guidance on annuity benefit types is provided in sections 5.24 and 5.42 to 5.44 below.

#### **4.15 Multiple benefits**

Multiple benefits of the same type should be treated as a single benefit where they arise from one underwriting process (e.g. clustered policies for tax purposes, automatic increments etc.). An exception to this is where benefits are purchased with both a single premium and regular premiums simultaneously, in which case separate records should be submitted.

If new underwriting is involved, a separate record should be submitted for the new benefit element with the commencement date set to the date the new cover commences. Even where no medical underwriting is involved (e.g. a single premium purchasing additional annuity benefit), a separate record is preferred. Where both benefits are combined into one record, two records should be submitted in the year in which the benefit amount increased – the first record showing the pre-increase benefit and the second record showing the post-increase benefit.

#### **4.16 Family Income Benefits**

These policies provide a benefit expressed as an annual or monthly amount, rather than as a lump sum. For amounts data, offices are requested to use the commuted value if possible. It is obviously essential that claims and in force are treated consistently in this regard.

If offices are unable to supply the commuted value for both in force and claims data, then such cases will be excluded from the amounts analysis, and therefore need to be identifiable.

Note also that the "Type of increment/decrement" field should be coded I for Family Income Benefits.

#### **4.17 Different benefit levels for Life cover and Critical Illness cover**

Some policies may be written as flexible protection policies where policyholders can choose from a mix of critical illness and death cover benefits which can be for different amounts.

Where offices treat each benefit independently within their administration systems (i.e. they have separate 'Accelerated Critical Illness', 'Stand Alone Critical Illness' and 'Life Cover' benefits, and a claim on one of the benefits does not reduce or otherwise affect the amounts paid on any of the other benefits), then each 'Stand

Alone Critical Illness' (Benefit type: SC), 'Accelerated Critical Illness' (Benefit type: AC) and/or 'Life Cover' benefit (Benefit type: DB) should be treated as a separate benefit for the purpose of submitting data to the CMI.

However, where offices' administration systems do not treat the underlying benefits independently, the data submission process is more complex. Here, a policy may have 'Life Cover' and/or 'Critical Illness' benefits and, where both benefits are present they may be equal or one benefit may be greater than the other. In such cases, the office will need to consider the benefit amounts on both the 'Critical Illness' and 'Life Cover' benefits and submit data according to the rules below:

- a) Normally, where there is no 'Critical Illness' benefit (or it is set to nil), the benefit should be treated as a 'Life Cover' benefit, with a sum assured equal to the 'Life Cover' benefit amount and the 'Benefit type' recorded as DB. However, if the event of a critical illness claim reduces or terminates the 'Life Cover', the 'Life Cover' benefit should not be submitted to the investigations.
- b) Where there is no 'Life Cover' benefit (or it is set to nil), then the policy should be treated as a 'Stand Alone Critical Illness' policy, with a sum assured equal to the 'Critical Illness' benefit amount, and the 'Benefit type' recorded as SC.
- c) Where the 'Critical Illness' and 'Life Cover' benefits operate independently, i.e. no claim is payable under the 'Critical Illness' benefit in the event of a death claim and where the 'Life Cover' benefit is not reduced by an earlier critical illness claim, the policy should be treated as two benefits:
  - A 'Stand Alone Critical Illness' benefit, with a sum assured equal to the 'Critical Illness' benefit amount and a 'Benefit Type' of SC, and
  - a 'Life Cover' benefit, with a sum assured equal to the 'Life Cover' benefit amount and a 'Benefit type' of DB.
- d) Where the 'Critical Illness' and the 'Life Cover' benefit amounts are the same, and only one claim is payable on the earlier of the two events to occur, the policy should be treated as an 'Accelerated Critical Illness' benefit. The sum assured is equal to the 'Critical Illness' benefit amount, and the 'Benefit type' should be recorded as AC.
- e) Where the 'Life Cover' benefit is greater than the 'Critical Illness' benefit, and the event of a critical illness claim reduces the 'Life Cover' benefit by the amount of the 'Critical Illness' benefit (so the two benefits do not operate independently), for data submission purposes this should be treated as two benefits:
  - An 'Accelerated Critical Illness' benefit, with a sum assured equal to the amount of the 'Critical Illness' benefit and a 'Benefit type' of CA, and
  - a 'Life Cover' benefit, with a sum assured equal to the excess of the 'Life Cover' benefit amount over the 'Critical Illness' benefit amount, and a 'Benefit type' of DC.



In the event of a critical illness claim, a claim record should be submitted for the 'Accelerated Critical Illness' benefit, and the 'Life Cover' benefit will continue unaffected.

In the event of a death claim, claim records should be submitted for both the 'Accelerated Critical Illness' benefit and the 'Life Cover' benefit.

- f) Where the 'Life Cover' benefit is greater than the 'Critical Illness' benefit, and the event of a critical illness claim terminates the 'Life Cover' benefit or reduces the 'Life Cover' benefit by any amount other than the amount of the 'Critical Illness' benefit (so the two benefits do not operate independently), the policy should be treated as an 'Accelerated Critical Illness' benefit, with a sum assured equal to the amount of the 'Critical Illness' benefit and a 'Benefit type' of CA.

The excess of the 'Life Cover' benefit amount over the 'Critical Illness' benefit amount should not be submitted to the investigations.

- g) Where the 'Life Cover' benefit is less than the 'Critical Illness' benefit and a critical illness claim reduces or terminates the 'Life Cover' benefit (so the two benefits do not operate independently), for data submission purposes this should be treated as two benefits:
- An 'Accelerated Critical Illness' benefit, with a sum assured equal to the amount of the 'Life Cover' benefit and a 'Benefit type' of CA, and
  - a 'Stand Alone Critical Illness' benefit, with a sum assured equal to the excess of the 'Critical Illness' benefit amount over the 'Life Cover' benefit amount, and a 'Benefit type' of CC.

In the event of a critical illness claim, claim records should be submitted for both the 'Accelerated Critical Illness' and 'Stand Alone Critical Illness' benefits. If any residual 'Life Cover' benefit remains in force after a critical illness claim, this residual benefit should not be submitted to the investigations.

In the event of a death claim, a claim record should be submitted for the 'Accelerated Critical Illness' benefit, but an exit should also be submitted for the 'Stand Alone Critical Illness' benefit, with Type of Exit coded as "B".

#### **4.18 Scaled critical illness benefits**

In some products, certain critical illnesses or events may be subject to a lower level of benefit than the full benefit amount. Where the lower benefit levels apply to a significant element of the cover, such benefits are outside the scope of the current investigation and should be excluded. However, where they apply to only one or a small number of events (e.g. angioplasty only) they can be incorporated. In such cases offices should not submit claim records for such claims where the lower benefit amount is paid – claim records should only be submitted where the full benefit amount is paid leading to the termination of the critical illness benefit.

We are more than happy to assist offices in assessing whether the specified critical illnesses or events with lower benefits constitute a significant element of the cover.

#### **4.19 Other non-standard benefit structures**

Critical illness products are evolving but the current investigation is limited to what can now be termed “traditional” products. If you have any doubts as to how to treat a particular product and whether to include it in your submitted data, please contact the CMI and we will be happy to advise you on the correct treatment.

#### **4.20 Benefit amounts**

Three benefit amount fields are requested:

- Initial benefit amount (see 5.28),
- Benefit amount at ‘Movement on date’ (see 5.29), and
- Benefit amount at end of year or ‘Date of Exit’ (see 5.30).

For annuity benefits, the amount should be the annualised amount payable as at the relevant date.

For with-profits policies, the amount should be the sum payable, including any final bonus, on a contractual event on the relevant date.

See section 4.16 for treatment of benefit amounts on Family Income Benefit records.

## **5. GUIDELINES FOR CODING DATA FIELDS**

### **5.1 Record type**

Record “I” for benefits in force at the end of 31<sup>st</sup> December in the year for which data is being submitted. See section 4.1 for the interpretation of “In force”. Record “O” for benefits taken out of force during the year.

For the avoidance of doubt, records must be submitted for benefits that are brought into force and then taken out of force within the year.

### **5.2 Office number**

An office is allocated a unique number for its data submissions to the CMI. If, when preparing data, this office code is not known then please contact us and we will be happy to help. The CMI is happy to supply several numbers if an office wishes to differentiate its business, for example between separate funds. Results will then be produced separately for each office number.

This field is not shown as mandatory, as it need not be incorporated within the data record if all records apply to a single office as will normally be the case. However it obviously must be clear to the CMI which office a submission relates to.

### **5.3 Record year**

The full four digit calendar year for which data is being supplied should be recorded. Again this is not mandatory within a record if it is made clear in the header or elsewhere.

The data records should be a snapshot as at the end of 31<sup>st</sup> December (i.e. after all processing on 31<sup>st</sup> December has been completed) of the policies in force at that date and the policies that have gone out of force during the year for which data is being submitted.

Offices supplying data in respect of financial years not corresponding to calendar year should advise the CMI.

### **5.4 Territory**

Data should only be included in respect of policies sold in the UK or the Republic of Ireland. Where data for both territories is being submitted, please record 1 for UK policies and 2 for Republic of Ireland policies. Where data is only being submitted for one territory, this field is not mandatory if the covering note makes clear the territory.

Lives who move abroad during the lifetime of their policy should not be removed from the investigation if their policy remains in force.

**5.5 Product code**

This should be a code that identifies what product the record relates to. This may be the product name (e.g. “Level Term Assurance Plan”) however if the type of product is not recognisable from the code (e.g. where this is an internal code), then offices are asked to provide a list of codes and the corresponding product types.

**5.6 Client identifier**

This will be the internal code that uniquely identifies the life insured, if such exists.

**5.7 Policy identifier**

This would normally be the policy number or any other internal code that uniquely identifies the policy concerned. This code must be consistently applied between records from one year to the next year. All benefit records on a single policy must have the same policy identifier.

**5.8 Benefit identifier**

This would normally be the benefit number or any other internal code that uniquely identifies the benefit concerned. This code must be consistently applied between records from one year to the next year.

Separate records must be submitted for increments to benefits if policyholders are required to undergo underwriting again. If benefit increments are automatic, a separate record is not required though the benefit amount fields must be updated as appropriate.

For many products, the benefit and the policy may be synonymous. If this is always the case within a submission, then it is not necessary to submit a benefit identifier or a date of benefit commencement (see section 5.15).

**5.9 Sex**

Record M for male and F for female.

**5.10 Medical type code**

This field should reflect the underwriting carried out at the time the benefit is taken out.

**5.11 Smoker status**

For all benefits, including annuities, the smoker status at the date of benefit commencement should be recorded (using the office’s own definition of what constitutes a non-smoker) as N for non-smokers and S for smokers if at all possible.

Offices that do not use smoker status or are unable to differentiate for the purpose of data submission, should record U.

### **5.12 Date of birth**

Code as DDMMYYYY text where possible.

### **5.13 Original Type of Entry**

This field should record how the benefit originally entered the investigation. C and G should both be used to code new benefits that have not arisen through the normal new business route:

C is a 'Compensation' case, where a benefit is issued to provide cover or compensation following a mis-selling verdict or similar.

G is applied to benefits taken out as a result of a Guaranteed Insurability Option being exercised.

In previous investigations, the CMI has not sought to segregate new business according to the type of entry, although offices may have chosen to exclude the unusual cases. If offices can code these separately, then the CMI hopes to report separately on the different categories of business as well as analysing experience for all business (regardless of type of entry) to provide consistent results.

### **5.14 Date of policy commencement**

It is important that the definition in section 4.1 is adhered to so far as the date of commencement is concerned. The format should be as for section 5.12 above.

In the case where a deferred annuity vests, offices are requested to submit an "exit" record in respect of the deferred benefit and a new record for the annuity in payment with the vesting date as the date of policy commencement.

For private pension annuity benefits, this should normally be the member's retirement date. However, for annuity benefits purchased from an income drawdown policy, the date of the annuity purchase should be recorded.

For bulk purchase annuities, offices should provide the date they wrote the underlying bulk purchase annuity.

### **5.15 Date of benefit commencement**

The benefit commencement date should reflect the date the benefit commences. For many products, the benefit commencement date and the policy commencement date are necessarily the same.

For bulk purchase pension annuities, offices should provide members' retirement dates for annuities being paid to members. For annuities being paid to dependants the members' dates of death should be provided. However, we recognise that offices may not always have this information and in these cases the field should be left blank.

For bulk purchase non-pension annuities, offices should provide the policyholders' original annuity purchase dates.

The format should be as for section 5.12 above.

#### **5.16 Entry into Current Status**

This field should record the status of the benefit as at the start of the exposure period covered by the record. If it was in force at 1<sup>st</sup> January in the year for which data is being submitted and the record covers the period from this date, it should be recorded as I. If not, it should be recorded as A, C, G, H, N, O, Q, R, T or W. U is used if offices are unable to differentiate between the types of entry.

#### **5.17 Movement on date**

This date is required for calculating the exposure for benefits during the year and should be set as the date at the start of the exposure period covered by the record. For benefits in force at the start of the year, the date entered should be 0101YYYY and for benefits sold during the year, the benefit commencement date should be entered. However there may also be occasions where benefits were sold in previous years and were treated as out of force for the previous year's data submission. Therefore, for such benefits, the date entered should be the effective date of the reinstatement.

See also section 4.4 regarding Lapses and Reinstatements.

#### **5.18 Benefit maturity/expiry date**

The expiry or maturity date of the benefit should be recorded in this field. If the benefit does not have either, the field should be left blank.

#### **5.19 Business Type**

Record N for non profit business, W for with-profits business or unitised with-profits business where there are no other investment options and U for unit linked business where with-profits is not one of the investment options. Record H for unit linked business where with-profits is one of the investment options.

#### **5.20 Premium Frequency**

Record S for single premiums, R where regular premiums must contractually be paid and P where the policyholder has the option to pay recurrent single premiums. Where policies allow both single and regular premiums to be paid, separate data records should be submitted in respect of the benefits purchased by the single and regular premiums.

#### **5.21 Premiums in payment or paid up**

Record N for single and recurrent single premium benefits and benefits that had regular premiums that have now ceased. Record Y for regular premium benefits unless the premiums have ceased.

## **5.22 Single or joint life**

Record S for single life benefits, J for joint life annuity and joint life first event benefits and D for dual life benefits, where two separate claims are payable on both lives.

Joint life second death benefits should be excluded from the investigations.

## **5.23 Rated or non-rated**

Record N if the benefit has been issued under the office's standard terms and the standard premium has been charged. Otherwise, record Y. For the avoidance of doubt, where exclusions are applied to the cover under a policy, record Y.

For joint life cases, benefits may be issued on non-standard terms or additional premiums charged even if only one of the lives is considered sub-standard. In these cases, only the life considered sub-standard should be recorded as Y in this field. If offices consider that a life would be treated as a standard life if he or she was covered under a single life benefit, they should record N for this life.

## **5.24 Benefit Type**

Record LA for non-pension annuities in payment.

Record DA for deferred pension benefits.

In respect of pension annuities in payment:

- Record IA where the annuity is being paid to member who was in ill-health at their retirement date (see section 4.14 (c)).
- Record NA where the annuity is being paid to a member who was in normal health at their retirement date (see section 4.14 (c)).
- Record PA where the annuity is being paid to a member whose health status at their retirement date is unknown.
- Record WA where an annuity is being paid to a dependant of the member.
- Record XA where it is not known whether the annuity is being paid to a member or a dependant.

Record DB for benefits payable only on death or terminal illness. In addition to being recorded for policies that provide only 'Life Cover', this code should also be recorded for 'Life Cover' benefits that operate independently of any 'Stand Alone Critical Illness' benefits under the same policy, as described in section 4.17 (c).

In respect of Critical Illness benefits:

Record SC for benefits payable only on critical illness (where no benefit or a minimal benefit is payable on death). In addition to being recorded for policies that provide only Critical Illness cover, this code should also be recorded for Stand Alone Critical Illness benefits that operate independently of any Life Cover benefits under the same policy, as described in section 4.17 (c).

Record AC for full acceleration critical illness benefits (where the benefit is payable in full on the earlier of death or the diagnosis of a critical illness). This code should be recorded for Accelerated Critical Illness policies as described in section 4.17 (d).

For all other multiple benefit policies where the death benefit and critical illness benefit are not independent:

- Record CA for the part of the policy deemed an Accelerated Critical Illness benefit. This code should be recorded for Accelerated Critical Illness benefits as described in sections 4.17 (e), 4.17 (f) and 4.17 (g).
- Record DC for the part of the policy deemed a Life Cover benefit. This code should be recorded for Life Cover benefits as described in section 4.17 (e).
- Record CC for the part of the policy deemed a Stand Alone Critical Illness benefit. This code should be recorded for Stand Alone Critical Illness benefits as described in section 4.17 (g).

### 5.25 ABI new business code

This should be the ABI new business code applying to the policy as reported by the office in its FSA returns.

### 5.26 Distribution channel code

This should indicate the sales channel through which the policy was sold, if known. The categories correspond to our understanding of those used for reporting new business to the ABI.

Note that where bancassurance arises under “of which” in the ABI categorisation, this should be recorded as “B”. (Hence the data submitted under each of the other categories of distribution channel will exclude any business sold through a bank, assuming that it can be identified as such).

These categories correspond to the **post-depolarisation** environment.

**Pre-depolarisation** business should be coded as follows:

- All business sold through IFAs should be coded as “I”.
- Business sold through tied agents or direct sales forces should be coded as “S”.
- Business sold via direct marketing should be coded as “N”.

No pre-depolarisation business should be coded as “A” or “M”.

Record U if the sales channel is not known.

### 5.27 Location

This should record the full postcode of the main residence of the life insured. This should be the latest available value. If this is not known or if the life insured has moved abroad, please leave blank.



Note: Prior to version 1.5, the Coding Guide referred to advice from the Information Commissioner's Office that it would not consider a combination of full postcode with date of birth (and gender) to be personal data in terms of the Data Protection Act 1998. We now consider that it is likely that it is personal data. Please see section 1.5 for more information.

### **5.28 Initial benefit amount**

Code as a numeric rounded to the nearer pence or to the nearer pound.

This is the benefit amount as at the original commencement date of the benefit.

See section 4.20 for the definition of benefit amount.

### **5.29 Benefit amount at 'Movement on date'**

Code as a numeric rounded to the nearer pence or to the nearer pound.

This is the benefit amount as at the 'Movement on date' (see 5.17). For a record arising from an alteration (i.e. with 'Entry into Current Status' coded as "A"), the benefit amount is that applicable after the alteration.

See section 4.20 for the definition of benefit amount.

### **5.30 Benefit amount at end of year or 'Date of exit'**

Code as a numeric rounded to the nearer pence or to the nearer pound.

For benefits in force at the end of 31<sup>st</sup> December in the year for which data is being submitted, this is the benefit amount as at 31<sup>st</sup> December.

Where the 'Type of exit' is a valid claim, (i.e. 'Type of Exit' is C, D or T) this is normally the contractual amount paid on the claim. The claim amount recorded should exclude interest on late payment, repayment of overpaid premiums or deduction of underpaid premiums, and any part of the payment that is deemed to be ex-gratia. However if the amount actually paid is lower than the contractual benefit (e.g. where a proportionate remedy is applied following non-disclosure), please record the amount actually paid.

For all other types of exit (i.e. 'Type of Exit' is A, B, E, H, L, M, Q, S, U or X) this is the benefit amount applicable on the day before the 'Date of Exit'.

See section 4.20 for the definition of benefit amount.

### **5.31 Date of amount review**

This is the date the benefit amount is reviewed, where this is done on a regular, annual basis (e.g. RPI escalation or mortgage decreasing). It should be coded as DDMM.

### 5.32 Type of benefit increment/decrement

This is the type of change in benefit amount that applies contractually.

Note: 'Other' may be used for variable increases (*e.g. unit-linked*) or any other increase not explicitly stated.

### 5.33 Rate of benefit increment/decrement

This is the annual change in benefit amount that applies contractually. This field should be left blank if the type of benefit increment/decrement is recorded as C, I, L, N, R, W, *O* or *U*.

For Mortgage decreasing contracts please record the mortgage interest rate.

Code as a numeric using the format NN.NN%.

*Note: This field was mandatory in previous versions of the Coding Guide.*

### 5.34 Previous Investigation Number

This is the CMI Mortality Investigation under which the policy was previously submitted. Please leave blank if unknown or not previously submitted. Offices may prefer to submit this information in a descriptive format, instead of including within each data record.

**The following fields must only be completed for policies that are no longer in force at the end of the year. Please note that the CMI does not necessarily expect all the claim dates to be supplied in all cases.**

When a valid claim (as defined by the office – see section 4.5) occurs, a record must be submitted for the benefit, regardless of whether the benefit was in force on the day or not. In this record, in addition to the Date of exit, at least one of the dates of claim, notification, admission and settlement must be supplied for assurances and at least one of date of claim or notification must be supplied for annuities. For both mortality and critical illness investigations, the date of claim is used to calculate the age and duration at claim. With this in mind, this is an important date to include and we would be very keen to see as many records as possible with this date.

Offices should put in place appropriate processes to ensure that no 'normal' claim is either missed out or double-counted. Particular care must be taken where the date used by offices to identify claims to be submitted for a particular investigation year is not consistent with their definition of a valid claim – in this case offices will need to ensure that all valid claims processed during the investigation year can be identified and submitted.

### 5.35 Date of exit

For claims, the Date of exit is the date used by the office to identify policies for which a claim record should be submitted for a particular investigation year. As discussed in section 4.5, the CMI's preference is that this is defined for claims on assurances as:

- a) the date that claim settlements are processed if valid claims are defined as settled claims; or
- b) the date that claim admissions are processed if valid claims are defined as admitted claims.

For claims on annuities, the CMI's preference is that the Date of exit be defined as the date that notification of deaths are processed.

For all other types of exits, the Date of exit is the date that the office processes the exit (i.e. the date the office's systems are updated to reflect the exit). Therefore, for exits other than claims, this date should **always** fall during the year for which data is being submitted.

Where a valid claim is processed on a benefit that had been taken out of force in previous years, regardless of whether the policy is first brought back into force, a record must be submitted in the year that the office takes a decision on whether to accept or decline the claim (see section 4.5).

For annuity business, this field must be completed where the death of an annuitant has been notified during the year, regardless of whether the annuity benefit continues to be paid due to a surviving joint annuitant or a guaranteed payment period.

The format should be as for section 5.12 above.

### 5.36 Type of exit

For multiple benefit policies, only the benefit under which a valid claim occurs (as defined by the office – see section 4.5) should be recorded as one of C, D, E, M, and T, as appropriate. Other benefits should be recorded as B if cover under these benefits ceases on a claim on another benefit. B should also be used to record the exit applicable to the life not giving rise to a claim under a Joint Life First Event benefit.

On surrender or lapse, only benefits that pay a surrender value should be recorded as S. All other benefits should be recorded as L.

Assurance benefits taken out of force whilst a notified claim is investigated should be recorded as Q.

Annuity benefits that are suspended where the death of the policyholder is suspected should be recorded as H.

### 5.37 Date of claim

This should be the date of death as recorded on the death certificate for death claims and annuity cessations. For Critical Illness and Terminal Illness claims, this will be the date of diagnosis of Critical Illness or Terminal Illness, using the office's own definition of what constitutes a critical illness or a terminal illness. The format should be as for section 5.12 above, or blank if unknown.

For both mortality and critical illness investigations, this date is used to calculate the age and duration at claim. **With this in mind, this is an important date to include**

CMI

**and, though it is not mandatory, we would be very keen to see as many records as possible with this date.** Where date of death or diagnosis is not known, our analysis calculates an approximate date based upon other types of date available.

An initiative was undertaken by the Health Claims Forum (in conjunction with the CMI) to seek to standardise practices regarding the recording of dates of diagnosis for critical illness from 1<sup>st</sup> January 2007<sup>1</sup>. This defined the date of diagnosis as “the date at which the critical illness definition was fulfilled”. Note that where a critical illness claim requires permanence (of neurological deficit, for example) then the date of diagnosis should be the date that permanence is established. The guidance issued by the HCF states how date of diagnosis should be interpreted for each of the ABI definitions of critical illness events and sets out principles to be applied for events not included in the ABI Statement of Best Practice or where definitions differ from the ABI model definitions.

#### **5.38 Date of notification of claim**

This should be the date the office was notified of the claim. The format should be as for section 5.12 above, or blank if unknown.

#### **5.39 Date of claim admission**

This is the date the office admitted the claim for assurances. This field does not apply to annuities. The format should be as for section 5.12 above, or blank if unknown.

#### **5.40 Date of claim settlement**

This should be the date the claim was actually paid for assurances. This field does not apply to annuities. The format should be as for section 5.12 above, or blank if unknown.

#### **5.41 Cause of Claim (Critical Illness investigation only)**

Please complete this as accurately as possible to identify the critical illness event under which the claim was admitted. The table in Appendix A gives a list of all the causes of claim used by the CMI. Offices are asked to avoid using “Other” and “Unknown” causes as far as possible. For Cancer claims, offices are asked to advise the site of the cancer so that analysis by site may be undertaken in the future.

**The following fields must only be completed for pension annuities in payment.**

#### **5.42 Pension Grouping**

This is used to indicate whether the annuity was written individually by the office or as part of a bulk purchase annuity. This must be completed for annuity business. It does not need to be completed for other business.

---

<sup>1</sup> See [http://www.actuaries.org.uk/knowledge/cmi/cmi\\_faqs/critical\\_illness\\_faqs](http://www.actuaries.org.uk/knowledge/cmi/cmi_faqs/critical_illness_faqs) for more details

**5.43 Pension Source Type**

This is used to indicate the broad source of pension annuities – whether it arises from an occupational scheme or a private pension. Annuities arising from pensions written as individual contracts with members (e.g. Group Personal Pension plans) should be classed as private pension business.

**5.44 Dependant's proportion**

The reduced proportion payable to the second life on the death of the first life as a percentage of the first life's benefit should be recorded here. This need only be recorded for joint life annuities.

## Appendix A – Causes of Claim (for Critical illness investigation only)

List of causes of claim
Deaths
Terminal Illness
Heart Attack
Stroke
Coronary Artery Bypass Graft (CABG)
Multiple Sclerosis
Kidney Failure
Major Organ Transplant (MOT)
Total Permanent Disability (TPD)
Aorta Graft Surgery
Benign Brain Tumour
Blindness
Deafness
Heart Valve Replacement / Repair
Loss of limbs
Loss of speech
Motor Neurone Disease
Paralysis / Paraplegia
Coma
Parkinson's Disease
Third Degree Burns
Alzheimer's Disease
Angioplasty
Other
Unknown
Cancer - site not specified
Malignant neoplasm of lip, oral cavity and pharynx
Malignant neoplasm of digestive organs and peritoneum - unspecified
Malignant neoplasm of oesophagus
Malignant neoplasm of stomach
Malignant neoplasm of small intestine including duodenum
Malignant neoplasm of colon
Malignant neoplasm of rectum, rectosigmoid junction and anus
Malignant neoplasm of liver
Malignant neoplasm of pancreas
Malignant neoplasm of respiratory and intrathoracic organs - unspecified
Malignant neoplasm of larynx
Malignant neoplasm of trachea, bronchus and lung
Malignant neoplasm of bone, connective tissue, skin and breast - unspecified
Malignant neoplasm of bone and articular cartilage
Malignant melanoma of skin
Other malignant neoplasm of skin
Malignant neoplasm of female breast
Malignant neoplasm of genitourinary organs – unspecified
Malignant neoplasm of ovary and uterine adnexa
Malignant neoplasm of prostate
Malignant neoplasm of testis
Malignant neoplasm of bladder
Malignant neoplasm of kidney and other urinary organs
Malignant neoplasm of other sites
Malignant neoplasm of brain
Malignant neoplasm of lymphatic and haematopoietic tissue
Hodgkin's disease
Leukaemia
Myeloid Leukaemia
Malignant neoplasm - multiple sites

## Appendix B – Summary of changes between versions of the Coding Guide

Version	Date issued	Comments	Sections affected
1.0	December 2005	Issued to data contributors with Working Paper 19	
1.1	6 June 2006	Full postcode field now acceptable	Table 1 (page 11) and section 5.27
		Inclusion of 'Other' code on increment type	Table 1 (page 11) and section 5.32
1.2	13 September 2006	Amendment of conflicting benefit codes, and greater clarification of benefit types under flexible life and critical illness plans	Table 1 (page 10) and sections 4.17 and 5.24
1.3	4 June 2008	Changes to (a) expand benefit type to specify type of annuity, (b) increased guidance for submitting joint life data, (c) details of the initiative with the HCF to standardise 'date of claim' for Critical Illness claims and (d) minor typographical errors/formatting fixed.	Table 1 (pp 9,10, 11 & 12) and sections 4.11, 4.13, 4.14, 4.15, 5.14, 5.15, 5.24, 5.37, 5.42, 5.43, 5.44
1.4	18 July 2008	Changes to clarify (a) benefit amounts, (b) start and end dates of the investigation year, and (c) categorisation of bancassurance business	Table 1 (pp 9,10, 11 & 12) and sections 1.2, 4.2, 4.4, 4.20, 5.1, 5.2, 5.16, 5.26, 5.28, 5.29 and 5.30
1.5	July 2009	Changes regarding status of data under data protection legislation and security of data transmissions	Sections 1.5, 2.1, 2.2 and 5.27
1.6	January 2010	Further guidance on claims processing and claim dates	Table 1 and sections 4.2, 4.5, 4.6, 4.7, 5.35 and 5.36
		Clarification regarding rated lives and remove impairment code field and Appendix B	Table 1 and sections 4.11 and 5.23
		Additional codes for Pension Source Type to allow greater analysis by the type of individual pension	Table 1 and section 4.14
		Further guidance on bulk purchase annuity business	Table 1 and section 4.14
1.7	September 2011	Amendment of the field rate of increment / decrement to non mandatory	Table 1