



The Actuarial Profession

making financial sense of the future

Age Rated PMI—a product past its sell by date?

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The Permanent Health Company

Age Rated PMI

Underwriting:

- MORI
- Health Declaration
- Switch----CPME
- No Underwriting-----MHD

Age Rated PMI

Rating Structure

- Actual age
- Risk Cost increases with age
- Premiums increase $>$ RPI
- Real cost increases for ind and small group

Age Rated PMI

Benefits

- Chronic conditions
- Cancer costs
- Claims frequency

Age Rated PMI

Tinkering

- Excesses
- Claims surcharges (NCD!)
- Pooling

Age Rated PMI

Underwriting at outset

- Exclusions
- Rating
- Excesses

Age Rated PMI

Annual Underwriting

- Preferred Lives
- Claimants
- Substandard Lives

Age Rated PMI

CI Benefits

Coinsured Benefits

Limited Procedures

Limited Conditions

Age Rated PMI

Age at Entry Pricing