

## **CMI – Improving data quality and analyses**

This is being sent to all actuarial function holders, CMI data contacts and report recipients.

The CMI has now completed its deliberations on switching its data collection for the life office mortality investigations from a scheduled basis to a per-policy basis. This will bring these investigations into line with the other CMI investigations and has a number of advantages over the existing method:

- It will allow more detailed and accurate analyses to be carried out.
- A better analysis of amounts data will be possible and the CMI will be better able to track select periods.
- Policy data can also be aggregated in different ways allowing the possibility of new investigations being carried out on the data already held.
- Data and analyses for additional risk factors can be easily accommodated, for example by sales channels.

Direct writing offices, when surveyed in 2002, were generally positive regarding their ability, both in terms of systems and resources, to provide per-policy data. Following further deliberations and taking into account the survey results as well as the need to keep up with the insurance industry's data requirements, the CMI has now decided to collect per-policy data starting with the 2004 data collection. The 2004 data will be collected from September to December 2005.

Offices that are unable to provide per-policy data in the short term will be able to continue to submit scheduled data for the rest of the 2003-2006 quadrennium. However, starting with the 2007 data collection, only per-policy data will be accepted by the CMI. Thus offices have at least two years in which to build and introduce any new systems that may be needed.

Data collection on a per-policy basis is expected to result in a significant increase in the amount of data submitted by individual offices and may therefore impact on trends in the CMI experience. In order to track this effect, offices will be requested to split out the business previously included in their scheduled submissions. This will allow the CMI to assess the impact of data changes on the CMI experience.

A new coding guide for per-policy data collection, Working Paper 13, has been produced and is enclosed with this letter. It will greatly assist the CMI if both direct writing offices and reinsurance offices could review this coding guide and provide comments to the CMI on the questions listed below.

Direct writing offices will also be supplying data in various formats and standards to their reinsurers. Therefore, the CMI is consulting both direct writing and reinsurance offices as to whether a single data standard could be used for both purposes. If this could be done, there would be significant benefits for everybody.

1. Are offices able to meet the requirements in the Coding Guide?
2. Are the data requirements set out in the Coding Guide clear and appropriate?
3. What additional guidance is needed in the Coding Guide?
4. Would direct offices and reinsurers consider a single industry data standard to be of value and achievable? Are the CMI data requirements set out in the Coding Guide consistent with reinsurers' data requirements?
5. Are offices able and willing to provide the first part of the postcode for policyholders?
6. Are the timescales in switching to per-policy data collection and for the 2004 data collection appropriate?
7. Are offices able to split their first per-policy data submission between business on which they have previously submitted data on a scheduled basis and business on which data is being submitted for the first time?

Please provide comments by 30 June 2005 to:

CMI  
Cheapside House  
138 Cheapside  
London  
EC2V 6BW

Alternatively, these can be emailed to [mortality@cmib.org.uk](mailto:mortality@cmib.org.uk)

Queries relating to the attached coding guide and on any other aspect of the change in data collection should in the first instance be addressed to Rajeev Shah at the CMI.

Yours faithfully

**Tony Leandro**  
**Secretary, CMI**